Purchasing Week

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

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Investment House Bids for Railway Express

Lehman Brothers Wants to Take Over Agency Plans to Operate with Same Management, Personnel; Railroads Must Decide by April 30

New York—A major investment house has made a firm bid to buy the Railway Express Agency "lock, stock, and barrel."

The nation's railroads, which have been casting about for months for a way to save their financially-distressed package freight operation from extinction, last week were giving the offer "serious consideration."

PURCHASING WEEK learned that Lehman Brothers, one of the largest New York investment banking firms, made the multi-million dollar proposal. Frank Manheim, a Lehman partner, disclosed to PURCHASING WEEK that the offer was made several weeks ago and "since that time we have been meeting constantly with the agency's board of directors." The rails must decide by April 30.

The exact size of the offer was not immediately disclosed, but Manheim said that as of last Thursday many of the details involved had been "worked out." The Lehman offer proposed running the agency, now owned by 66 major railroads, with the "same management, same personnel, and in the same manner with one exception—we would put it on a profit-making basis."

R.E.A., which did more than $378-million worth of package freight business last year, has been running annual deficits. An estimated $39-million out-of-pocket loss for the railroads has been forecast for 1959.

The breakup of the agency was threatened when the New York Central Railroad announced late last year that it was pulling out to avoid more losses. The Pennsylvania indicated it would do the

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Increased Hedge-Buys Tax Carrier Facilities

Railroad and Truck Officials Are Urging Buyers To Work More Closely Together, Foresee Squeeze On Transportation Facilities Worse Before Better

New York—Industrial purchasers pressing for deliveries to meet higher current and hedge-inventory needs are taxing carrier facilities in some areas. Truckers especially are urging steel buyers and others to work more closely with them to prevent serious transportation delays.

Rail and truck officials told PURCHASING WEEK that under the combination of increasing industrial needs plus steel hedge-buying the squeeze on transportation facilities could get worse before it gets better.

They advised purchasing agents to make an all-out effort to bunch orders and speed unloading operations at their plants to permit faster turn-around of carrier equipment.

The squeeze on transport oper-

(*Turn to page* 22, *column* 3)

Material Management Explored by 23 Men At A.M.A.'s Seminar

Saranac Lake, N. Y.—Last week purchasing men and production control men went to school together at A.M.A.'s Saranac Lake Academy to explore the advantages of materials management.

The week long seminar attracted 23 executives, from United States and Canadian companies. Eight represented pur-

(*Turn to page* 22, *column* 2)

2nd Value Analysis Training Course Held By Army Ordnance

Watervliet, N. Y.—The second Value Analysis Training Seminar conducted with the Army's Ordnance Corps got under way last week at the Watervliet arsenal. The seminar closes this Friday and is designed to help spread the techniques of value analysis through the Ordnance Corps.

Students attending the seminar are expected to take their new knowledge back to their home installations and either conduct their own training seminars or assist in setting up a value analysis program in their home installations.

The first Ordnance-wide seminar was also held at the Watervliet Arsenal. Both were organized and managed by Raymond J. Spenard who was assisted by members of the Watervliet Arsenal's staff.

Among the opening day's speakers was Joseph A. Cohn, Products Editor of PURCHASING WEEK.

Steel, Labor Nix Federal Review Of Price Increases

Washington — U. S. Steel Chairman Roger Blough and Steelworkers President David McDonald turned thumbs down last week on legislative proposals to require steel and other industries to submit to government review of planned price increases.

Their appearance in Washington on pre-price notification legislation has greeted in advance by a week-long barrage from top Administration officials warning against an inflationary contract in upcoming steel negotiations.

Vice President Nixon served notice the White House does not want to step into the negotiations, but that there will be "tremendous impetus" to both Congress and the Administration for stronger steps if an inflationary

(*Turn to page* 21, *column* 5)

G.E. Designs Small Component Electric Motor; More Efficient

Fort Wayne, Ind.—Small component electric motors have undergone their first major design change in many years.

The new design, conceived by General Electric Co., makes possible an increase in efficiency of up to 40% compared with small conventional motors. Called the Unitized motor, it also offers smaller sizes for any given output than traditional motors.

Not all sizes are available at present. Production for the time being is limited to 4 w. to 1/20

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Copper Disposal Showdown Near

Washington—Government policy on disposal of surplus stockpile commodities is nearing a showdown. The controversy became heated in the furor which developed when word leaked about 10 days ago that the Office of Civil and Defense Mobilization wanted to unload 128,000 tons of excess copper.

Much of the excitement since has slackened, but first reaction was violent—both in international metal markets and on Capitol Hill. Speculative trading took a beating in the New York and London exchanges, and a 1¢ in U.S. custom smelters prices—since recouped to some extent—was at least partially attributable to the news.

Mining state congressmen in Washington broke all legislative speed records in pushing a resolution forbidding any copper dis-

(*Turn to page* 22, *column* 1)

Simplified Pricing Wins Plaudits from P.A.'s

New York—Supplier efforts to simplify pricing systems drew praise from numerous purchasing executives this week. But there still are enough chain-discount and other types of complicated pricing schedules remaining in use in industry to spark testy comment from time-harrassed purchasing officials.

• Net pricing advocates directed considerable criticism against industrial fastener, pipe fitting, and perishable tool suppliers in a broad spot check of P.A. pricing complaints by PURCHASING WEEK correspondents.

• The steel industry's base price plus extras plan likewise was denounced for the many headaches it has caused. Other buyers said they wished copper and tubing suppliers would switch to a more simplified system.

• Other items listed as overdue for improvement included wire rope, various electrical items, leather and rubber parts, coated abrasives and hard wheels, bearings, power transmission, some office supplies and equipment, and various capital goods equipment.

Resistance of some suppliers to giving a complete breakdown of prices and to include estimated freight charges whenever possible also was scored.

A Detroit industrial distributor, who described the list/discount system as old-fashioned, complicated, and time-costly, said he was anxious for all in-

(*Turn to page* 21, *column* 3)

Civil Service Overhauls Federal P.A.'s Ranks

Washington—The Civil Service Commission is completely overhauling job qualification standards for federal purchasing agents and contracting specialists. The revisions emphasize the business-like qualities increasingly demanded for these positions.

The commission will issue the new standards in mid-June. They will serve as the new basis for hiring and promoting federal procurement officers.

The agency already has drawn up a list of tentative classification and qualification standards and now is contacting federal P.A.'s for further suggestions.

Officials say the new standards will stress, most particularly in

(*Turn to page* 6, *column* 1)

This Week's

Purchasing Perspective

APRIL 27-MAY 3

It can be argued that present economic conditions require the average purchasing executive to make broader, more sweeping decisions involving inventory control than any other major buying factor—including price.

With most indicators pointing toward relatively stable price levels, the question of gearing orders to production needs, sales forecasts, and labor conditions becomes paramount. **In the face of a supplier strike threat, certain inventory costs lose significance.** But over-all, the nagging problem is how to order so that storage bins and production material warehouse space are used most economically while meeting production requirements.

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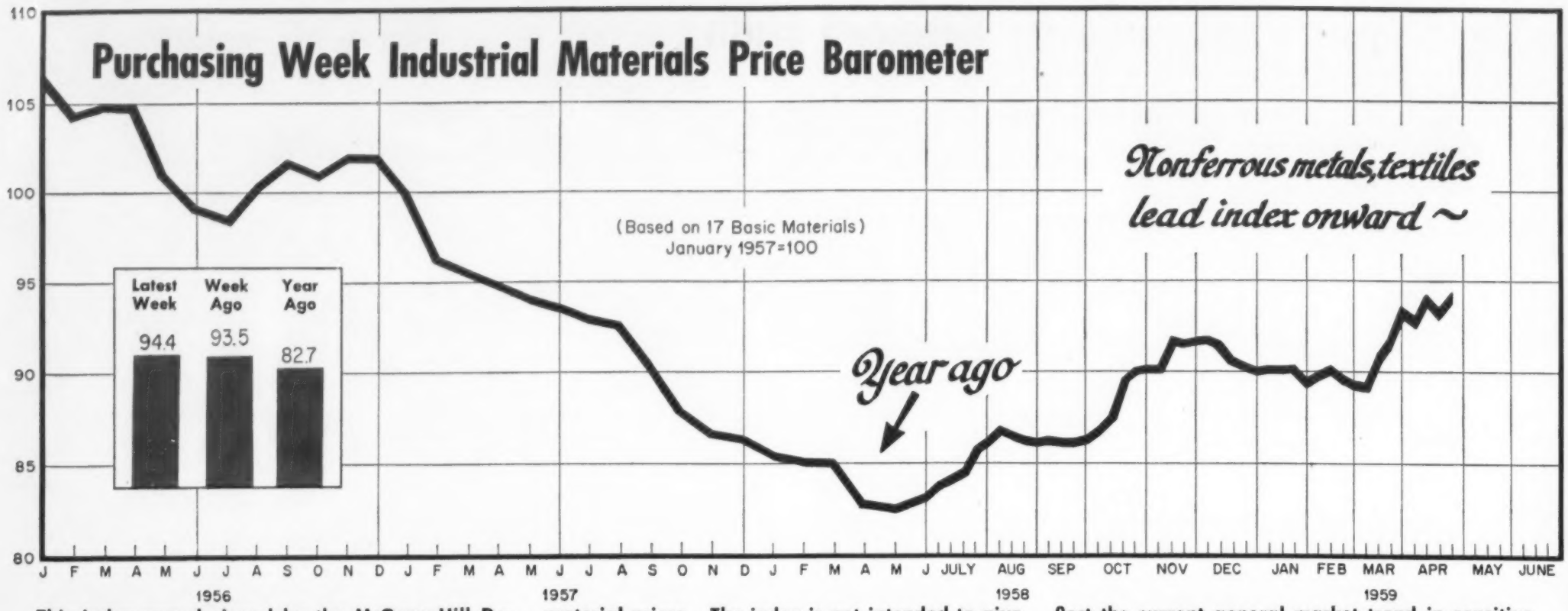
Because their industry has been a principal victim of dipsy-doodles in the inventory cycle, steel producers now are preaching the gospel of inventory stability. Level these peaks and valleys, they plead, before purchasing groups. A key argument is that the steep slides and subsequent pell-mell rushes to recoup cost both steel consumer and producer real money in operating inefficiencies.

What they are saying is: If there is a steel strike, don't buy like crazy when it's over. Take it calm, slow, and easy. Avoid

(*Turn to page* 21, *column* 1)



This index was designed by the McGraw-Hill Department of Economics to serve as an overall sensitive barometer of movements in industrial raw material prices. The index is not intended to give price movements of specific commodities. The items used are important only in that, together, they reflect the current general market trend in sensitive industrials. Weekly prices for most of the items covered are published in "Commodity Prices" below.

This Week's Commodity Prices

	Apr. 22	Apr. 15	Year Ago	% Yrly Change
METALS				
Pig iron, Bessemer, Pitts., gross ton	67.00	67.00	67.00	0
Pig iron, basic, valley, gross ton	66.00	66.00	66.00	0
Steel, billets, Pitts., net ton	80.00	80.00	77.50	+ 3.2
Steel, structural shapes, Pitts., cwt	5.50	5.50	5.285	+ 4.3
Steel, structural shapes, Los Angeles, cwt	6.20	6.20	5.975	+ 3.8
Steel, bars, del., Phila., cwt	5.975	5.975	5.725	+ 4.4
Steel, bars, Pitts., cwt	5.675	6.675	5.430	+ 4.6
Steel, plates, Chicago, cwt	5.30	5.30	5.10	+ 3.6
Steel scrap, #1 heavy, del. Pitts., gross ton	37.00	37.00	33.50	+10.4
Steel scrap, #1 heavy, del. Cleve., gross ton	36.00	36.00	29.50	+23.0
Steel scrap, #1 heavy, del. Chicago, gross ton	33.00	34.00	30.00	+10.0
Aluminum, pig, lb	.247	.247	.24	+ 2.9
Secondary aluminum, #380 lb	.218	.218	.213	+ 2.3
Copper, electrolytic, wire bars, refinery, lb	.312	.312	.24	+30.0
Copper scrap, #2, smelters price, lb	.263	.26	.18	+46.1
Lead, common, N.Y., lb	.115	.11	.12	— 4.2
Nickel, electrolytic, producers, lb	.74	.74	.74	0
Nickel, electrolytic, dealers, lb	.74	.74	.74	0
Tin, Straits, N.Y. lb	1.023	1.025	.93	+10.0
Zinc, Prime West, East St. Louis, lb	.11	.11	.10	+10.0
FUELS				
Fuel oil #6 or Bunker C, Gulf, bbl	2.00	2.00	2.25	—11.1
Fuel oil #6 or Bunker C, N.Y. barge, bbl	2.37	2.37	2.65	—10.6
Heavy fuel, PS 400, Los Angeles, rack, bbl	2.15	2.15	2.50	—14.0
LP-Gas, Propane, Okla. tank cars, gal	.045	.045	.4	+12.5
Gasoline, 91 oct. reg, Chicago, tank car, gal	.12	.12	.118	+ 1.7
Gasoline, 84 oct. reg, Los Angeles, rack, gal	.117	.117	.114	+ 2.6
Coal, bituminous, slack, ton	5.25	5.75	5.75	— 8.7
Coke, Connellsville, furnace, ton	15.00	15.00	15.25	— 1.6
CHEMICALS				
Ammonia, anhydros, refrigeration, tanks, ton	90.50	90.50	90.50	0
Benzene, petroleum, tanks, Houston, gal	.31	.31	.36	—13.9
Caustic soda, 76% solid, drums, carlots, cwt	4.80	4.80	4.80	0
Coconut, oil, inedible, crude, tanks, N.Y. lb	.21	.209	.153	37.3
Glycerine, synthetic, tanks, lb	.278	.278	.278	0
Linseed oil, raw, in drums, carlots, lb	.16	.16	.175	— 8.6
Phthalic anhydride, tanks, lb	.165	.165	.205	—19.5
Polyethylene resin, high pressure molding, carlots, lb	.35	.35	.325	+ 7.7
Rosin, W.G. grade, carlots, f.o.b. N.Y. cwt	9.85	9.85	9.70	+ 1.5
Shellac, T.N., N.Y. lb	.30	.30	.31	— 3.2
Soda ash, 58%, light, carlots, cwt	1.55	1.55	1.55	0
Sulfur, crude, bulk, long ton	23.50	23.50	23.50	0
Sulfuric acid, 66° commercial, tanks, ton	22.35	22.35	22.35	0
Tallow, inedible, fancy, tank cars, N.Y. lb	.074	.073	.081	— 8.7
Titanium dioxide, anatase, reg. carlots, lb	.255	.255	.255	0
PAPER				
Book paper, A grade, Eng finish, Untrimmed, carlots, CWT	17.00	17.00	17.00	0
Bond paper, #1 sulfite, water marked 20 lb, carton lots, CWT	24.20	24.20	24.20	0
Chipboard, del. N.Y., carlots, ton	95.00	95.00	100.00	— 5.0
Wrapping paper, std, Kraft, basis wt. 50 lb rolls	9.00	9.00	9.50	— 5.3
Gummed sealing tape, #2, 60 lb basis, 600 ft bundle	6.40	6.40	6.40	0
Old corrugated boxes, dealers, Chicago, ton	21.00	21.00	17.00	+23.5
BUILDING MATERIALS				
Brick, del. N.Y., 1000	41.25	41.25	41.25	0
Cement, Portland, bulk, del. N.Y., bbl	4.25	4.25	4.42	— 3.9
Glass, window, single B, 40" bracket, box, fob N.Y.	7.90	7.90	7.09	+11.4
Southern pine lumber, 2x4, s4s, trucklots, fob N.Y., mftbm	126.00	126.00	115.00	+ 9.6
Douglas fir lumber, 2x4, s4s, carlots, fob Chicago, mftbm	138.00	137.00	115.00	+20.0
TEXTILES				
Burlap, 10 oz, 40", N.Y. yd	.102	.101	.104	— 1.9
Cotton, middling, 1", N.Y., lb	.361	.359	.36	+100.3
Printcloth, 39", 80x80, N.Y., spot, yd	.187	.187	.171	+ 9.4
Rayon, satin acetate, N.Y., yd	.27	.27	.27	0
Wool tops, N.Y. lb	1.62	1.56	1.415	+14.5
HIDES AND RUBBER				
Hides, cow, light native, packers, Chicago, lb.	.295	.295	.158	+86.7
Rubber, #1 std ribbed smoked sheets, N. Y., lb	.339	.34	.264	+28.4

This Week's

Price Perspective

APRIL 27–MAY 3

Price movements do not always have their start in the market place among individual buyers and sellers.

Often as not, it's some government action—rather than a basic supply and demand factor—that's behind a price fluctuation.

That's certainly true in the recent copper gyrations. The mere hint that O.C.D.M. was thinking of unloading some of its red metal stockpile made the whole market jittery (see story p. 1).

Copper futures (off close to 2¢ on the news), custom smelter tags, and the London market all reacted sharply to the rumor—though all have subsequently recovered some of the decline.

Reason for the shakiness is pretty clear. The stockpile now holds 128,000 short tons of the red metal. **That's an awful lot of copper to be hanging over the heads of jittery copper dealers and producers.**

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Actually copper is only one of several minerals where government action is influencing price quotations.

Of course there's oil. Then there's the pending fluorspar import quota bill that could raise the price of this key mineral—an indispensable industrial raw material with a big potential in rocketry.

Capitol Hill fluorspar plan would give foreign suppliers a restricted share of the U. S. market—similar to the way sugar producing countries receive a given portion of the American purchases.

It might pay to keep your eyes on this legislation.

Even more important: There's talk of enlarging this import quota proposal to take in iron ore, manganese, lead, zinc, and copper.

Despite talk of price control provisions (upping quotas when tags rise), such a bill would have a definite price-firming effect.

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United States isn't the only government that will bear watching over the coming half year or so.

New Russian trade moves have also been affecting commodity prices.

Much, of course, has been made in recent months of Red dumping of aluminum, platinum, tin, etc.—and of the ensuing drop in these prices.

But now there's increasing evidence that Kremlin trade moves also will be working in the other direction—via Russian imports.

Over the past few months, reports show a strong upturn in Red purchases of rubber and wool.

It has had the effect of bolstering world demand for these products—and in a way is responsible for the recent price boosts in these items.

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A closer look at price quotes on wool and rubber tells the story.

It was the Russian bidding, for example, that pushed up the Australian wool quotation to $1.40 a lb.—25¢ above prices prevailing as late as January of this year.

Bullishness has spread to the United States, too. Wool tops last week went for $1.62 a lb.—more than 20¢ above March quotes.

Much the same story is true of natural rubber. The Reds upped their Far-East purchases by 150% early this year. Result: Prices now are close to 34¢ a lb.—about 7½¢ above a year ago, and a 2-year high.

Of course Russian buying isn't the whole story behind these boosts. Rising domestic and Free-World demand also are of prime importance. **But it's the little extra added by the Reds that actually does the trick.**

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Index Shows Production Hits Record High

Washington—Booming industrial production is the basic force behind the recent upsurge in P.A. activity. New output statistics tell the story. They reveal total production at a record high—though indicating some unevenness in specific industrial areas.

The jump of two points in the total manufacturing index for March heralded the eleventh straight month in which this index has risen. At 150, the total seasonally adjusted figure stands 16% above the year-ago level, and one point above the previous high recorded in December of 1956.

A closer look at some of the differences between the current and previous peak provides some interesting clues to both current and future purchasing activities.

Note in the chart, above right, how different the record output mix is now as compared to the previous high. Output of nondurable goods, which has been setting new records every month since last August, now stands at 140 (1947-49 equals 100). That's 7.7% above the December 1956 level and some 13% above last March.

Hard Goods Up Sharply

Hard goods output on the other hand, although showing a sharper recovery from the year-ago level than soft goods (close to 19%), still trails the December 1956 total by over 4%.

The reasons behind the overall shift in production mix also are indicated in the chart. Note that despite all the encouraging talk from Detroit, auto production in March, on a seasonally adjusted basis, still trailed the December 1956 level by better than 15%. Increased output of other consumer durables between the two periods, however, managed to drop the total consumer durable goods decline between the two peaks to less than 4%. Metal fabricating activity also participated in the dip by declining over 7% in the comparative periods.

General Soft Goods Upturn

The upswing in non-durable goods between the two periods was more general in nature. Many soft goods areas have taken part in the steady rise in output for this economic sector. As the chart shows, both textile and apparel products and paper and allied products have shown gains of better than 7% between peaks.

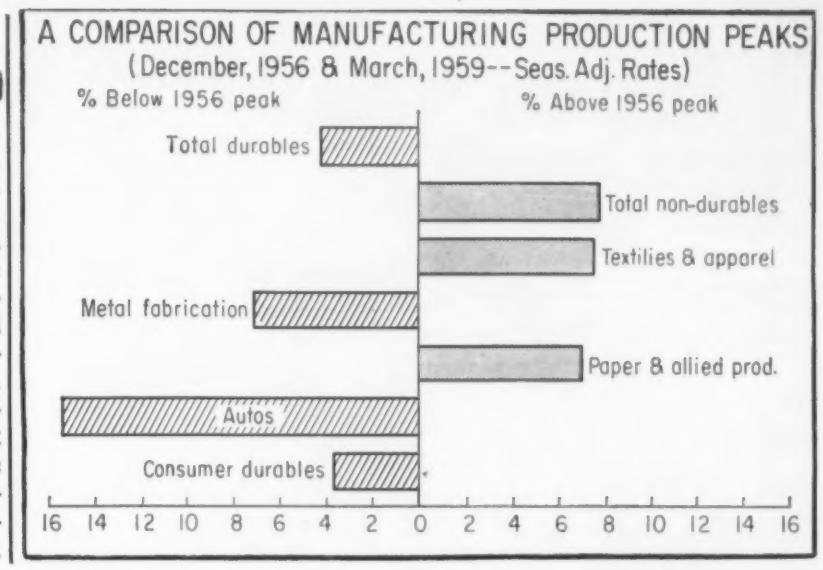
The sharp rise in manufacturing production during the first quarter of the year foretells further output increases for the second quarter. Under the impetus of rising business and consumer demand, and continuing stock accumulation, P.W. economists expect total manufacturing production to hit 155% of the 1947-49 average by summer.

The outlook for the second half, however, still remains very clouded. There are three reasons:

- Much of the inventory accumulation now taking place seems to be "hedge" oriented. Many P.A.'s report buying ahead on steel and other labor-sensitive commodities because of strikes which are threatened this summer. Stock accumulation in many places is also being instituted to compensate for low inventory levels which were allowed to develop during the end of the recent recession. The end to both of these accumulation phases by mid-year will have a negative effect on business ordering.
- Possible strikes in steel, aluminum, and other key industrial areas could have a generally stifling effect on total output.
- The start of production and formal introduction dates for the new U.S. "small" cars will definitely hamper auto sales during the third quarter. Since the new models will be closest in price to the volume selling "low-priced" three, the resulting dip in auto demand could be significant.

For the longer-run, however, the manufacturing production outlook for the economy is bright. For it's just those industries in the hard goods sector which have failed to bounce back in the current output upswing which will provide the impetus for a continuation of the manufacturing rise.

The second phase of the current recovery, which should get into full swing by the end of the year, will be paced by those industries which have been relatively slow in rebounding so far.



This Week's

Washington Perspective

APRIL 27-MAY 3

A new boom is on that is reshaping the Washington political landscape.

The advantage and initiative are slipping away from the Democrats to Republicans along with the rapid acceleration of business now blossoming after a session of wintry doubt.

Democrats are befuddled. They're almost helpless as they see the rug being pulled out from under their big spending ideas advanced at the beginning of the congressional session in January with thoughts of the recession still fresh in mind.

The turn of the economic wheel now is playing into the hands of President Eisenhower and the Republicans, who are preaching economy in government and a balanced budget.

Republicans are becoming more emboldened. G.O.P. leaders from Congress and the Administration opened a crossfire on Democrats last week. For the first time, they attacked in force the Democratic contention that more federal direction and money are needed to spur business growth and match Russia's economic expansion.

Take a look at the latest figures on Gross National Product to understand the Republican optimism. These underscore that a new boom is indeed on—without any massive infusion of federal assistance.

G.N.P. hit $465 billion for the first quarter of the year, surpassing pre-recession peaks set in 1957. Even more fundamental to the political issue; this marked almost a 2½% increase from the last quarter of 1958, or an annual rate of about 10%.

To appreciate this figure, glance back at the record. The American economy traditionally has expanded at a 3% rate. The last few years it has been only 2%, or less. Democrats were arguing that a 5% expansion annually was needed. But the new G.N.P. rate is exactly double this figure.

The only question seems to be how big a boom for 1959? Most government economists look for a good year, but not as rapid an expansion as occurred in 1955. But some feel the economy is "set to rip" and may break through a $500 million G.N.P. in the last quarter—a figure that was not expected to be reached until sometime in 1960.

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The figures also pull the rug out from under Eisenhower's anti-inflation crusade in one sense. The present expansion is taking place without noticeable inflation. Note that the cost of living remained stable in March. Eisenhower's chief economic consultant, Dr. Raymond Saulnier, now is talking about the possibility that over-all price levels might remain generally stable for the next five years.

But Democrats are hardest hit, being forced to rework their ideas. Emphasis is now being shifted ahead and they're saying ways must be developed to prevent another serious downturn. They're mindful that another business downturn next year would help their cause immeasurably at the polls.

Democrats also are concentrating more than ever on the remaining high unemployment at present, although even this issue appears more likely than ever to slip away from them as business continues rising.

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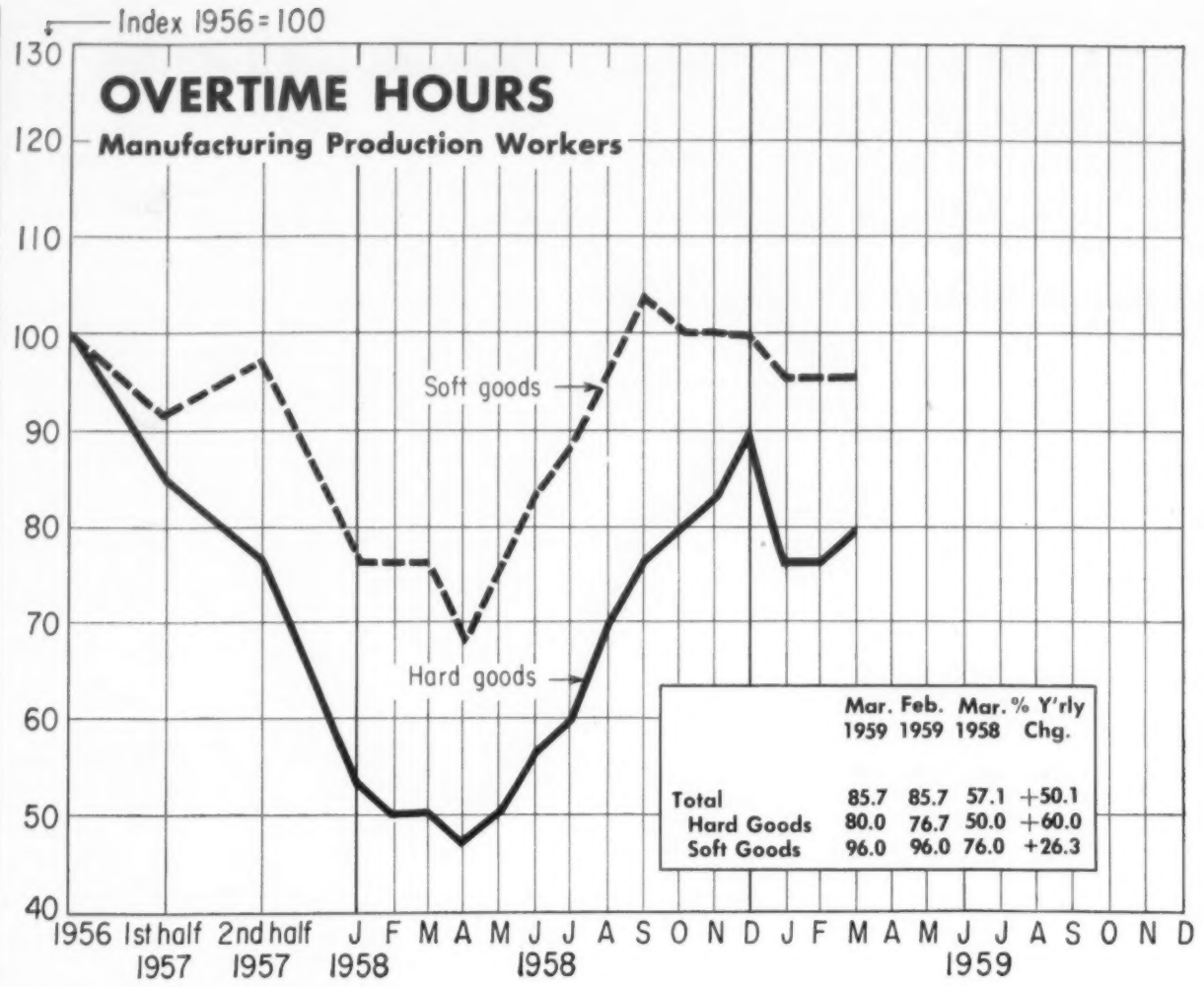
The Commerce Department this week will begin another survey of some 2,000 firms on their inventory buying plans for the second and third quarters. Questionnaires are being mailed out May 1. Upon return, they'll be analyzed and the results published about mid-June.

There's talk now of putting the surveys on a quarterly basis instead of semi-annually because of the good results obtained to date.

Weekly Production Records

	Latest Week	Week Ago	Year Ago
Steel ingot, thous tons	2,583	2,557*	1,270
Autos, units	135,233	133,202*	73,219
Trucks, units	26,144	25,895*	16,655
Crude runs, thous bbl, daily aver	7,856	8,092	7,051
Distillate fuel oil, thous bbl	12,833	12,602*	10,901
Residual fuel oil, thous bbl	6,410	6,788	6,495
Gasoline, thous bbl	27,491	28,268	24,531
Petroleum refineries operating rate, %	81.2	83.8	76.8
Container board, tons	170,273	160,250	137,976
Boxboard, tons	153,114	152,445	118,994
Paper operating rate, %	93.6	90.1*	87.8
Lumber, thous of board ft	247,215	249,383	220,237
Bituminous coal, daily aver thous tons	1,325	1,293*	1,160
Electric power, million kilowatt hours	12,609	12,604	11,107
Eng const awards, mil $ Eng News-Rec	314.3	371.3	325.7

*Revised



Overtime Index High and Steady

New York—Overtime, as measured by PURCHASING WEEK's special Overtime Hour Index remained on a high, even keel in March—with indications of continued stability in April. The latest reading 85.7, (1956 equals 100) while unchanged from the previous month, was actually a sharp 50% above the year-ago level.

This index, specially designed by the P.W. economic staff for purchasing executives, is geared to forecast changes in employment and economic activity weeks before the actual business curve turns up or down.

A recent survey conducted by the Bureau of Labor Statistics would tend to verify its reliability.

The survey examined actual records of many industrial plants. It revealed that changes in hours led changes in employment in 62 out of 74 instances where clearly matched turns in these two variables were observable.

A closer look at P.W.'s latest index report shows hard goods again making the better showing —though most soft goods are also in the plus column, when compared to year ago levels.

The hard goods figure is particularly striking. For all durable goods lines, March overtime was running a surprising 60% ahead of 1958. It was the somewhat lower 26% gain in soft goods that brought the economy-wide gain to the 50% figure above.

An industry-by-industry breakdown pinpoints where the biggest yearly improvements were located. As might be expected primary metals (+130%) led the pack—reflecting both improvement in durable manufacturing and the hedge buying to beat possible summer strikes.

The sharp rise in electrical machinery (+100%) was also encouraging — lending credence to belief that the capital equipment lull is just about over.

Rubber and textiles lead the soft goods group. Both these industries have rebounded from poor early 1958 performances.

Overtime Hours of Manufacturing Production Workers Index

1956 = 100

	Latest Month*	Month Ago	Year Ago	% Yrly Change
Hard Goods				
Ordnance & Accessories	65.5	72.4	65.5	0
Lumber & Wood	90.9	87.9	66.7	+ 36.3
Furniture & Fixtures	89.3	92.9	53.6	+ 66.6
Stone, Clay & Glass	80.6	77.8	61.1	+ 31.9
Primary Metals	82.1	75.0	35.7	+130.0
Fabricated Metal Products	73.3	73.3	53.3	+ 37.5
Non Electric Machinery	62.2	59.5	40.5	+ 53.6
Electrical Machinery	76.9	76.9	38.5	+ 99.7
Transportation Equipment	72.4	75.9	44.8	+ 61.6
Instruments	82.6	82.6	52.2	+ 58.2
Soft Goods				
Food	84.8	90.9	78.8	+ 7.6
Tobacco	63.6	81.8	63.6	0
Textile Mill Products	111.5	100.0	65.4	+ 70.5
Apparel	116.7	91.7	75.0	+ 55.6
Paper	95.7	91.3	76.1	+ 25.8
Printing & Publishing	71.9	75.0	71.9	0
Chemicals	95.7	91.3	78.3	+ 22.2
Petroleum & Coal Products	60.0	85.0	60.0	0
Rubber Products	135.7	114.3	46.4	+192.5
Leather & Products	128.6	142.9	85.7	+ 50.1

* Latest month is February, 1959.

McGraw-Hill Indexes

	Latest Month	Month Ago	Year Ago
Basic Chemicals Price Index — Chemical Week, 1947 = 100	112.3	112.0	110.9
Construction Cost Index — Engineering News-Record, 1913 = 100	784.4	782.0	745.8
Electrical Materials Cost Index — Electrical Construction & Maintenance, November 1951 = 100	111.9	111.7	109.7
Metalworking Products Price Index — American Machinist, 1947 = 100	158.6	158.4	155.9
Non-ferrous Metals Price Index — Engineering & Mining Journal, 1922-24 = 100	119.9	117.6	106.8
Petroleum Refinery Products Price Averages Index — National Petroleum News, January 1957 = 100	93.0	92.7	89.0
Plant Maintenance Cost Index — Factory, 1947 = 100	173.5	173.0	167.6

Now with 8 important improvements...
at no increase in price

New EPC CROUSE-HINDS

EXPLOSION-PROOF MOTOR STARTER AND CIRCUIT BREAKER

The latest refinement in a long-tested, proved and improved explosion-proof combination Motor Starter & Circuit Breaker, this new Crouse-Hinds Condulet® EPC-M59 brings you tomorrow's convenience, dependability and safety at yesterday's prices.

Designed to conform with the National Electrical Code requirements for Class I, Groups C and D; Class II, Groups E, F and G; and Class III, it provides for built-in breathers and drains . . . built-in push-button stations, selector switch and pilot lights . . . seven taper-tapped conduit entrances . . . starter below breaker for safe, easy maintenance . . . compact design to permit a greater number of controls in any given area.

Now available in 7" and 9" sizes for Sizes 1 and 2 starter combinations. For more detailed information consult your Crouse-Hinds distributor, or any of the offices listed below.

ALL THESE NEW FEATURES

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● CONDULET® ELECTRICAL EQUIPMENT (Explosion-Proof and Conventional) ● FLOODLIGHTING
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These products are sold exclusively through electrical distributors. For application engineering help, contact one of the following offices: Atlanta Baton Rouge Birmingham Boston Buffalo Charlotte Chicago Cincinnati Cleveland Corpus Christi Dallas Denver Detroit Houston Indianapolis Kansas City Los Angeles Milwaukee New Orleans New York Omaha Philadelphia Pittsburgh Portland, Ore. St. Louis St. Paul Salt Lake City San Francisco Seattle Tulsa Washington

Resident Representatives: Albany Baltimore Reading, Pa. Richmond, Va.

Civil Service Overhauls Standards Of Qualifications for Federal P.A.'s

Standards Serve as Basis for Hiring, Promoting Various Classifications of Procurement Officers

(*Continued from page* 1)

the higher pay levels, business experience and familiarity with markets, transportation, lead timing, and general business methods of operation.

New work definitions were completed last June for the five classifications of contracting officers, recommending specialized knowledge for negotiating contracts. They cover 6,000 employees.

The commission now is revamping job specifications for procurement officers who deal mainly in bid-purchasing and materials stores handling. These specs cover some 9,000 employees.

In addition, new qualification requirements for both contract specialists and procurement officers will be issued. The effect of these new qualifications will be to move a number of procurement officers into the contracting specialist class.

This will be the first time that specifications and qualification standards are spelled out for contracting specialists, who were covered only incidentally in the old purchasing series classifications. In addition, the new specs take into account the high degree of specialization required at the higher levels of procurement officers in Grades 9 through 12 than old specs.

Salary for Grade 9 ranges from $5,985 to $6,885 a year. For Grade 12 pay scales range up to $9,530, and at Grade 15 go as high as $13,970.

These are some of the most important excerpts from the tentative qualifications being suggested for these positions:

Contract Negotiator—For GS-12 and above, experience to deal with many different and involved questions of law, industrial financing, contingent conditions, patents and royalties, etc.; and experience utilizing the services of specialists such as attorneys, cost analysts, production specialists, engineers, and accountants to settle the technical aspects of such questions.

Contractor Administrator — Experience which required the abilities to interpret terms of contracts or agreements dealing with the buying, selling, leasing, or using of items, equipment, material, or services; to determine the extent of obligation of one or more parties to such terms; and to decide what has to be done to assure satisfactory compliance to the contracts. At GS-9 and above, contracts become more complex and involved with emphasis on such considerations as administrative overhead, production costs, facilities acquisition, spare parts provisioning, subcontracting and purchasing systems and procedures, etc.

Procurement Agent—Experience which, **1.** provided a good knowledge of the methods and practices involved in buying, selling, or leasing of items, equipment, material, or services; and, **2.** required the ability to relate costs of production, marketing, and/or distribution to the quality and price of items, etc. For higher graded positions the experience must clearly demonstrate a good knowledge of current trends in industrial and technological developments and a thorough understanding of production, distribution, and marketing patterns in specific commodity fields.

Procurement Analyst—Experience in industry or government which has provided, **1.** knowledge of the laws, policies, regulations, procedures, etc., controlling government procurement of items, equipment, material, or services; and **2.** ability to analyze proposed or completed procurement proposals and determine the sufficiency or appropriateness of such major considerations as avorable market conditions, presence of suitable supply sources, flexibility of specifications, reasonableness of price, etc.

Procurement Officer—Experience in one or a combination of contract and procurement functions, i.e., contract negotiation, contract administration, contract termination, procurement by competetive procedures, or analysis of procurement programs.

New Jersey P.A. Testing Small Cars for Fleets

Trenton, N. J.—New Jersey's purchasing director, Charles F. Sullivan, is determining the feasibility of small car use in state fleets.

Sullivan has assigned a Studebaker Lark and an American Rambler to two bureaus.

"The initial cost difference between these smaller cars and 'Big Three' models is very slim," he explained. "Therefore, we have decided to test the smaller models for about five or six months to see if economies warrant a swing to small car fleets."

California Rejects Bill To Permit Foreign Buys

Sacramento, Calif.—The California legislature is not inclined to make any major changes in the state law prohibiting public agencies from buying foreign-made goods.

An assembly committee rejected a bill to allow purchase of foreign products and materials by public agencies when the price is 10% or more less than the lowest bid by a U. S. producer.

Authors of the bill said the primary benefit probably would have turned up in purchase of hydro-electric power equipment.

"DOUBLE BOTTOM" TRUCKING is expected to affect economies, thereby strengthening the competitive position of the motor carrier industry.

'Double Bottom' Trucking Termed Great Success

New York—Six leading motor carriers are nearing completion of an experiment in "double bottom" trucking—one tractor pulling two trailers—(see photo left) and have already termed it a "complete success."

The tests have been conducted on the New York Thruway and the Massachusetts Turnpike. The carriers involved were Spector Freight System, Denver-Chicago Trucking Co., John Vogel, Inc., Western Express Co., C & E Trucking Corp., and Red Star Express Lines.

Truckers and Waterway Operators To Attack Volume Piggyback Rates

In Effect Since Last Month, Rates Still Under I.C.C. Investigation of Rails' Plan III and IV

Washington—Truck and waterway operators will launch an all-out attack against freight forwarder volume rates on piggyback shipments when the I.C.C. reopens hearings on the controversial tariffs this week.

These rates apply largely on movements between New York and Chicago and Chicago and Los Angeles and Northwest areas. They were allowed to go into effect last month, pending completion of the commission's investigation of the railroads' Plan III and Plan IV piggyback operations.

Morris Forgash, president of U.S. Freight Co., the nation's largest freight forwarder, discussing the importance and gigantic growth of piggyback last week, said that much depends on the forthcoming I.C.C. decision regarding the basic concepts of Plan III and Plan IV piggyback.

These plans involve the use of railroad and/or shipper owned equipment interchangeable between truckers and railroads.

See Equipment Increase

Addressing a meeting of the National Petroleum Association in Cleveland, Forgash declared that a favorable decision will push piggyback operations to such heights of traffic volume as to require "an equipment supply dwarfing the present $1.5 billion investment in railroad cars owned privately by shippers."

The growth of piggyback is highlighted by latest industry reports disclosing a 56.6% increase in piggyback in the first 14 weeks of this year as compared with the same period in 1958.

The forwarder executive attributed this tremendous rise in piggyback operations to the volume rate concepts now before the I.C.C. and under attack by truckers and waterway operators.

Lists Six Points

Forgash contended that the new piggyback plans are not contrary to the National Transportation Policy laid down by Congress and listed six points to back up this opinion.

1. Piggyback Plans III and IV represent "coordination" as provided for by law, rather than "substitution" of one mode for the other, not provided for by statute.

2. The changed pricing methods of these plans offer simplicity of rate structure any shipper can understand. "They enable the shipper to determine his transport costs without the aid of a slide rule, a cost analyst, and a lawyer."

3. They offer the prospect of lower transport costs to the shipper-public, as against lesser cost-cutting afforded truckers alone by Plan I piggyback. (This plan involves trucker-owned trailers and trucker-billed freight hauled aboard rail flatcars.)

4. The growth of private carriage can be arrested by using the profit incentive of the shippers themselves. (Private carriage is now estimated at more than 70% of gross highway ton miles.)

5. Interchange between railroads and trucking companies of shipper-owned equipment will remove increasing rehandling charges.

6. Standardization of containers will prove an inevitable approach to cost cutting once interchange between trucking and rail companies reaches a large volume.

P.A.'s Hash Out Reciprocity Pros and Cons

Minneapolis—"We practice it because if you don't, someone else will—and they'll steal your business."

"We think it's a nasty word. We're not married to any supplier."

The subject was reciprocity. The speakers were among 50 purchasing agents kicking around ideas at a pre-meeting huddle of the Twin Cities Association of Purchasing Agents meeting April 15.

James R. Loeffler, Cargill, Inc., moderated the session. In his experience at Cargill, he said, there had been only one example of reciprocal buying. "And, believe me, I'm against it," Loeffler said to the group.

Generally, the huddling purchasing agents seemed to agree with Loeffler. A call for the advantages of reciprocal buying produced few comments from the group, but the negatives flowed fast and furious:

"Salesmen feel they have the account sewed up and service falls off as a result," said Frank Henderson, McGill Co. "We've tried to stay away from reciprocal buying as much as possible."

"The purchasing man tends to overlook competitive merchandise when a reciprocal arrangement is made," Loeffler said.

"It reduces the knowledge of the purchasing department," another P.A. commented. "Salesmen won't come back once the word gets around that you're dealing with only one supplier."

Asked for a show of hands, about a dozen of the 50 men present admitted to reciprocal buying arrangements. But some of the dozen were the most outspoken against the practice.

P.A.'s tended to blame sales or top management for forcing them into unsound buying practices through reciprocity.

Reciprocity, it was generally agreed at the close of the meeting, is okay—if you can be sure of good service, a good price, and good quality merchandise. The problem is to be sure.

New England P.A.'s, Boston Salesmen Sound Off on Mutual Problems at Meet

Boston—New England purchasing agents and Boston sales executives got together April 13 for a spirited evaluation of mutual problems.

The program featured a panel discussion covering such topics as prices, visiting hours, and how much a salesman really knows about the product he's selling. But occasional interruptions from the floor further livened the proceedings of the discussion.

One unnamed salesman urged: "I want to see a statement of company policy tacked on the wall of every purchasing waiting room." Then he added: "The company also should make telephones available for salesmen to make local calls while waiting."

The panel on evaluation of sales and purchasing problems featured three representatives of both sides with E. P. Brooks, dean of M.I.T.'s School of Industrial Management as moderator. The purchasing panelists included: Daniel G. Donovan, of Pepperell Mfg. Co.; Louis A. Little, of Simonds Saw & Steel; and Robert S. Mullen, of Harvard University. The sales side was defended by Andrew E. Bubser of International Salt; Robert W. Jarvis, of United Shoe Machinery Corp.; and Herbert C. Williamson, of General Fireproofing.

The audience included 375 members of the New England Purchasing Agents Association and the Boston Sales Executives Club.

Brooks started the ball rolling with, "What factors other than price should enter into a sale?"

P.A. Mullen answered that the right price includes: right quality, right quantity, right time, right service, and then the right price.

Salesman Williamson countered with, "What is price?" A producer, he said, does not arrive at his price by chance; a producer must consider overhead, selling cost, and fair profit before arriving at price.

P.A. Donovan said most salesmen think a P.A. buys on price only. The seller should have respect for a buyer's judgment and integrity especially if he says he can buy it cheaper, he added.

Salesman Bubser parried Brooks' second question, "What about visiting hours and appointments?" with "What is a routine call?" Bubser said a routine call is one when you have nothing new to offer and there is no trouble with this account. Bubser said if a salesman has nothing new to offer the P.A., he should stay away from his office.

If it's a routine call it's an unnecessary call, P.A. Little emphasized.

Answering a question from the audience on circumventing the P.A., Little said: "If you can't sell the P.A. you can't circumvent him."

Salesman Williamson said most salesmen want to follow the rules, but they also want to know that they are talking to the man who can make the decision to buy. If he is not sure, the salesmen then circumvents the P.A., he added.

Louisville P.A.'s Queried About Type of Education Necessary for Purchasing

Louisville, Ky.—Nearly three-fourths of the members of the Louisville Purchasing Agents Association believe they could do a better job had they the benefit of a "different education."

Seventy-two per cent replied "yes" in answer to a special query submitted to the association membership last month. And what type of education they consider most beneficial now was indicated in the subjects listed in answering a query concerning what type of educational background they would require of a new man in their departments.

Business administration and engineering were most frequently mentioned as part of the training believed necessary. Other top-listed courses included: accounting, purchasing, law, marketing, liberal arts, and finance.

Less than 5% of the group considered a high school education sufficient to meet present day requirements of the purchasing function.

On-the-job training for a new man in purchasing should include an orientation program to familiarize him with the role purchasing plays in the over-all operation of his company, a majority of the survey replies suggested.

In a previous special questionnaire, 84% of the Louisville association P.A.'s said they believe management now has a measurably higher regard for the purchasing function now than it had for purchasing only five years ago.

Aluminum Transit Concrete Mixer Designed; Increases Legal Payload

Kaiser Aluminum and Construction Machinery Co.'s Joint Research Program Perfected the 7-Yd. Mixer

Waterloo, Iowa—Joint research and development efforts and a year of field tests have produced aluminum transit concrete mixers two-thirds the weight of steel models.

Two firms are operating fleets of aluminum mixers in Seattle and Spokane, Wash. North Star Sand & Gravel Co., Seattle, and Central Pre-Mix Co., Spokane, report savings in time, labor, fuel, and maintenance.

Kaiser Aluminum and Construction Machinery Co. of Waterloo utilize a tough weldable aluminum alloy in the C.M.C. "Transcrete." The seven-yard aluminum mixer weighs 4,600 lb. compared to nearly 7,000 lb. for a conventional seven-yard steel model. Emphasizing weight savings, Kaiser Aluminum and Construction Machinery pointed out that its mixer will allow increased legal payloads in states where load limits are exceptionally low.

Aluminum was used in all parts except the drive train and mixer controls. Heavy-duty aluminum chutes weigh 60% less than steel shutes, providing quicker and easier handling.

Keeping the same basic design of its steel mixers, C.M.C can offer aluminum mixers in truck engine and separate engine drive in four, five, five and a half, six, and seven-yard sizes.

Fibreboard Expands Pulp, Paperboard Mill

San Francisco — Fibreboard Paper Products Corp. will expand its San Joaquin pulp and paperboard mill at Antioch, Calif. A multi-million dollar program includes a third paperboard machine, pulp processing system, and raw material handling equipment.

The new mill, adjacent to present Fibreboard units, will add 72,000 tons to the annual capacity of the San Joaquin operation, bringing the total annual capacity to over 200,000 tons. Completion of the mill is scheduled in about 14 months.

Alcoa Expanding Plant Making Food Jar Caps

Richmond, Ind.—To meet peak demand and expand its screw-on caps for the baby food jar market, Aluminum Co. of America will erect $1 million extension to its plant here.

Facilities will include a high-speed production line and related equipment in the 35,000 sq. ft. extension. The new addition will handle future demand.

Alcoa says its new cap offers positive resealing of jars and eliminates the drop-off hazard.

Dixie Cup Expands Plant, Adds 40% More Space

Anaheim, Calif.—Seeking 40% additional operating space to broaden its production line, the Dixie Cup Division of American Can Co. will spend $1 million-plus for expanding its plant.

When completed later this year, the new facilities will add 112,500 sq. ft. for manufacturing, or 21% more than the present 93,000 sq. ft. It will bring total plant footage — for manufacturing, warehousing, offices, and other purposes—to nearly 300,000 sq. ft.

2 Resistor Firms Sign Cooperative Agreement

Philadelphia — Two non-competitive resistor producers have teamed up to gain distribution and production benefits for their customers. Chicago Telephone Supply Corp. Elkhart, Ind., and International Resistance Co., Philadelphia, have signed a no-time limit, cooperation agreement for production and marketing of resistors.

Under the agreement, C.T.S. has named I.R.C. its sales agent for distributor, military, and industrial controls and replacement parts through distributors. In addition to these domestic agreements, I.R.C.'s foreign licensees will add C.T.S.'s variable resistors to their production lines.

To assist in carrying out these agreements, C.T.S. has purchased I.R.C.'s variable resistor plant in Asheville, N.C. The plant will continue to turn out both companies' variable resistors.

Bemis Bro. Plant to Make Polyethylene Liner, Bags

Union City, Calif.—Bemis Bro. Bag Co. has started construction here of a new plastic bag plant for extrusion of polyethylene liners and for manufacture of plain and printed polyethylene bags.

The facilities will produce a wide range of polyethylene bags and Bemis' patented products, Fine-Weld bags and Flip-Close bags. Operations at the plant are scheduled to begin about June 1 of this year.

Turco Division Expands

Los Angeles—Turco Products, Inc., has expanded its Chem-Mill Division to handle marketing of specialized coatings for aircraft and missile fields and other industry. Chem Mill's new responsibility is in addition to the regular Chem-Mill coatings line.

Purchasing Week

330 West 42nd St., New York 36, N. Y.

McGRAW-HILL'S NATIONAL NEWSPAPER OF PURCHASING

Vol 2, No. 17 | April 27, 1959 | Print Order This Issue 26,278

Greater Recognition? We've Got It

AT ONE time or another most of us are guilty of "wishing" for greater recognition. And no one, so far as we are concerned, can convince us that it is bad to want more and more recognition. However, it is futile to be wishing or struggling for something we already have in hand.

It brings to mind the story of the man who had received a promotion and was determined to sell his home and move to a new home that would reflect more his new financial position in life. He instructed his wife to start looking for a new place and he had an "expert" draft an attention-getting advertisement, extolling the virtues of the old homestead. Two days later he received an urgent telephone call from his wife reporting she had learned of "just the place for us, it has everything we want in a house." She proceeded to read the very advertisement friend husband had placed for the old home. And she was right; the house did have everything they wanted. The only trouble was they had failed to recognize it.

Maybe there's a similarity when we think of winning top management's recognition of the importance of purchasing. E. F. Andrews, a former N.A.P.A. president and now in the purchasing department of Alleghany-Ludlum Steel Co., jolted a New Jersey audience the other night when he bluntly declared that all of today's hue and cry for greater recognition is no different than it was 20 years ago. To prove it he read a 1936 report stating, in effect that purchasing is deserving of "greater stature."

Mr. Andrews was speaking of the important role purchasing already plays in industry and while he did not quote this statement, it fits the picture:

"The business of buying today is an undertaking more complicated, more efficient, and more responsible than it was a few years ago when its importance was unrecognized or ignored. Its further development is inevitable, for industry has awakened to the fact that there is no greater or more certain source of profit than sound buying."

Isn't that a pretty good summary of how purchasing is pictured today when we talk of greater stature? The fact of the matter is, though, that statement was published in 1928, 31 years ago. The same volume, Principles of Scientific Purchasing, included this pertinent comment: "The purchasing problem is one of the most interesting and most important subjects in connection with an industry. The purchaser is one of the big key men in an organization. . . his opportunities for aiding in the success and upbuilding of the business of which he is part are second to none."

Mr. Andrews was more emphatic in his declaration that purchasing does not have to fight for top management's recognition. The reason, he said, was that purchasing already has it. He put it this way:

"Top management already has bought the idea that purchasing is important; the only thing that remains is for us to make delivery."

Pretty sound advice, isn't it?

Ray Barnett

EDITOR

Your Follow-Up File

Title Indicates Proficiency

Cleveland, Ohio

I was interested in the replies to your "PURCHASING WEEK Asks You . . ." question ("It has been suggested that a title or degree similar to the C.P.A. title be adopted as a method of adding additional professional recognition to the purchasing field. How do you feel about this?", April 13, p. 11).

I would say that it would, if it signified proficiency in such fields as: market and cost analysis; commercial law; inventory analysis; business administration; mechanics and hydraulics; physics and chemistry; mathematics; and accounting procedures. Knowledge in all these subjects would be necessary.

Certainly the above list does not indicate anything but fundamentals. I am assuming that a basic liberal arts education would be a requirement.

A knowledge of recent trends in research and development—modern design plus advantages gained by the use of computers, modern punch card and tape operation would be a must in modern purchasing.

F. E. Cameron
Purchasing Agent
Park Drop Forge Co.

Copies Are Available

Rahway, N. J.

You quoted in your editorial ("Initiative, Judgment, Imagination Belong," April 6, p. 8) from the government's booklet, "Procurement Handbook." Is this new and are copies available?

Thomas Parise
Purchasing Agent
Allen Industries, Inc.

• This 271-page handbook (paper cover) was issued this year. Copies are available from the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C., at $1.50 each.

Wants P.W.'s 1958 Index

Netcong, N. J.

Please send me your 1958 PURCHASING WEEK index.

I would like to thank you for this magazine as your articles are very interesting and are of much assistance in making our purchasing decisions.

J. H. Holden
Assistant Purchasing Agent
Ludlow Papers, Inc.

• Copies of this index are available without charge. If you would like one, just write to: The Editor, Purchasing Week, 330 West 42 St., New York 36, N. Y.

Received 24 Replies

Macon, Georgia

During November you published my request for information on suction cups to pick up wood fibre acoustical tile ("Where Can I Buy?").

I received 24 replies to my request and was tremendously pleased, impressed, and grateful for the interest the readers of PURCHASING WEEK showed. Many thanks to you and to the people who wrote.

We have been unable to solve our problem because the wood fibre tile is too porous to support enough suction to lift the title.

B. A. Hettel
Purchasing Agent
Armstrong Cork Co.

Other Reprints Wanted

St. Louis Park, Minn.

I would appreciate receiving three reprints of "There Are many Methods of Meeting Your Duplicating Problems" (March 30, p. 12) for distribution in our organization.

John D. Hane
Supervisor of Purchasing
City of St. Louis Park

Quincy, Mass.

In your March 30 issue you printed a survey of duplication methods and equipment.

If you have any reprints available on similar surveys printed in previous issues, would you send me one copy of each.

C. W. MacRae
Purchasing Agent
Boston Gear Works

• Reprints are also available of copying machine article asked for below.

Freehold, N. J.

May I have six copies of "What You Should Know About Truck Leasing" (April 6, p. 13).

Walter Kohlage
Purchasing Agent
A. & M. Karagheusian, Inc.

New York, N. Y.

I enjoyed the truck leasing article and would appreciate receiving three copies.

Robert F. Ceisler
Research Assistant
Institutional Department
Carl M. Loeb, Rhoades & Co.

Liked Copy Machine Story

Alhambra, Calif.

We would appreciate receiving a reprint of "Select your Copying Machine After Studying These Detailed Descriptions (Sept. 29, p. 19) to help us complete our study of copying machines.

H. F. Curran
Manager of Purchasing
Wintroath Pumps
Division of Worthington Corp.

Burlington, Vt.

Please forward five copies of this reprint.

P. W. Emery
Purchasing Department
International Business Machines Corp.

To Our Readers

This is your column. Write on any subject you think will interest purchasing executives. While your letters should be signed, if you prefer we'll publish them anonymously.

Send your letters to: "Your Follow-Up File," PURCHASING WEEK, 330 West 42nd St., New York 36, N. Y.

PURCHASING WEEK Asks You . . .

In seeking and maintaining competitive sources, should loyalty to a supplier be considered? If so, how—what constitutes vendor loyalty?

R. K. Swander
Heath Co., Benton Harbor, Mich.

"I firmly believe in vendor loyalty—to a certain point! Any vendor-vendee relationship must be mutually beneficial or it will not endure. No matter how long or profitable the tenure of an association, purchasing people cannot avoid a continuing search for new suppliers who can produce as good or better an item at a lower cost—and within reasonable delivery schedules."

N. A. Schowalter
West Bend Aluminum Co.
West Bend, Wis.

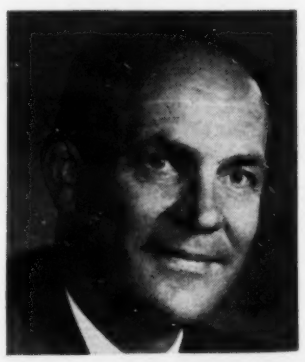
"Vendor loyalty definitely should be considered in seeking and maintaining competitive prices. The best way to bring about vendor loyalty is through excellent customer-supplier relationship. Keep your vendor informed as to the purchasing department's needs in the way of special service and delivery. Bring your quality problems to him early and before there is an avalanche of complaints. Make the vendor realize he is carrying the responsibility to keep prices competitive."

M. R. Leath
Madison Throwing Co., Inc.
Madison, N. C.

"Loyalty to a supplier should be considered if he has been loyal to you. The loyal supplier is one who has kept you informed of all improvements and applications of his product and whose service, quality, and price have been equal or better than his competitors. The purchasing agent should never allow himself to become complacent with his supplier and should seek and maintain competitive sources."

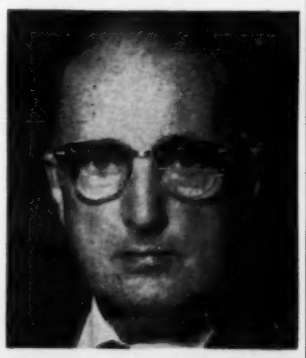
G. L. Hoddy
Universal Electric Corp., Owosso, Mich.

"Vendor loyalty is one of the important tools of purchasing. It begins with doing a little more than called for in the line of duty and is gradually acquired as the buyer's and vendor's organizations become familiar with each other and their requirements. Usually a satisfactory competitive situation exists where you have two sources of supply. It should be included as an asset when considering another source with a lower price—especially if it may be temporary."



H. L. Meyer
Badger Northland, Inc., Kaukauna, Wis

"We find a satisfactory business relationship exists between manufacturers and vendors when they are honest and sincere with each other. We feel loyalty to a supplier should be considered so long as they supply quality products, competitive prices, and firm delivery dates, which they maintain. Loyalty to a supplier is shown by an understanding between buyers and suppliers so that when new products are developed, present suppliers are given first chance to quote price and delivery."



W. O. Caraway
Imperial Sugar Co., Sugar Land, Tex.

"Loyalty is a proper and desirable relationship that should exist between buyer and seller, based on the integrity of the supplier and his ability to furnish a product that meets the buyer's full requirements. If a supplier feels he can depend on his customer for a fair share of his business, the odds are that the buyer will fare better than by constantly switching suppliers. If a buyer is loyal to his suppliers he can expect protection in any emergency."

At the same time we questioned these purchasing men, we also queried sales executives on this question. See next week's column for their views.

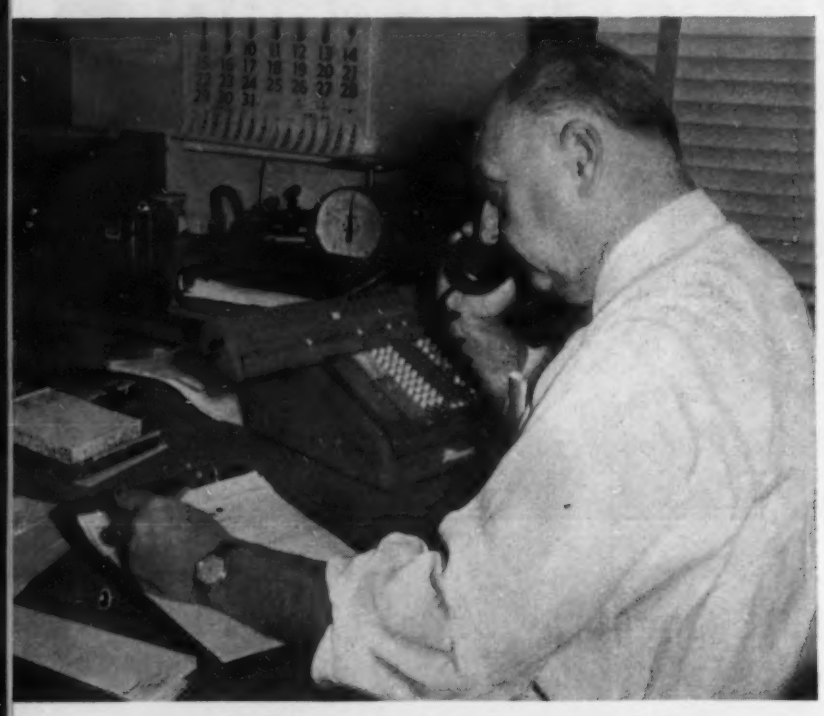
Distributor Services

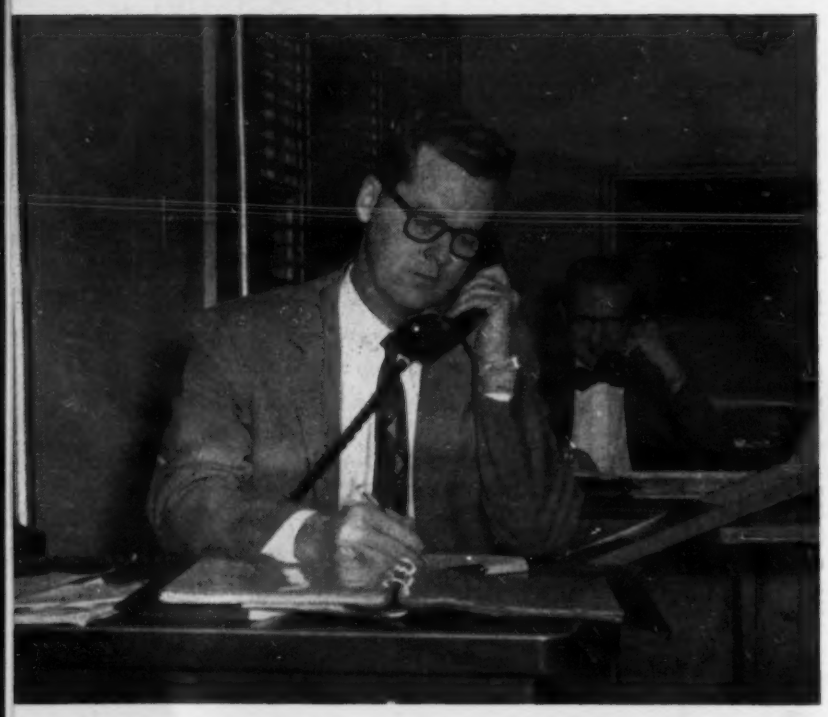
QUESTION: How Does the Supplier's In

ANSWER:

Routine Services of the Inside Man Include Such Duties as Writing of the Actual Orders, Giving Supply Information, and Oral Price Quotes . . .

PLUS: Physically Checking Stock, Expediting Orde



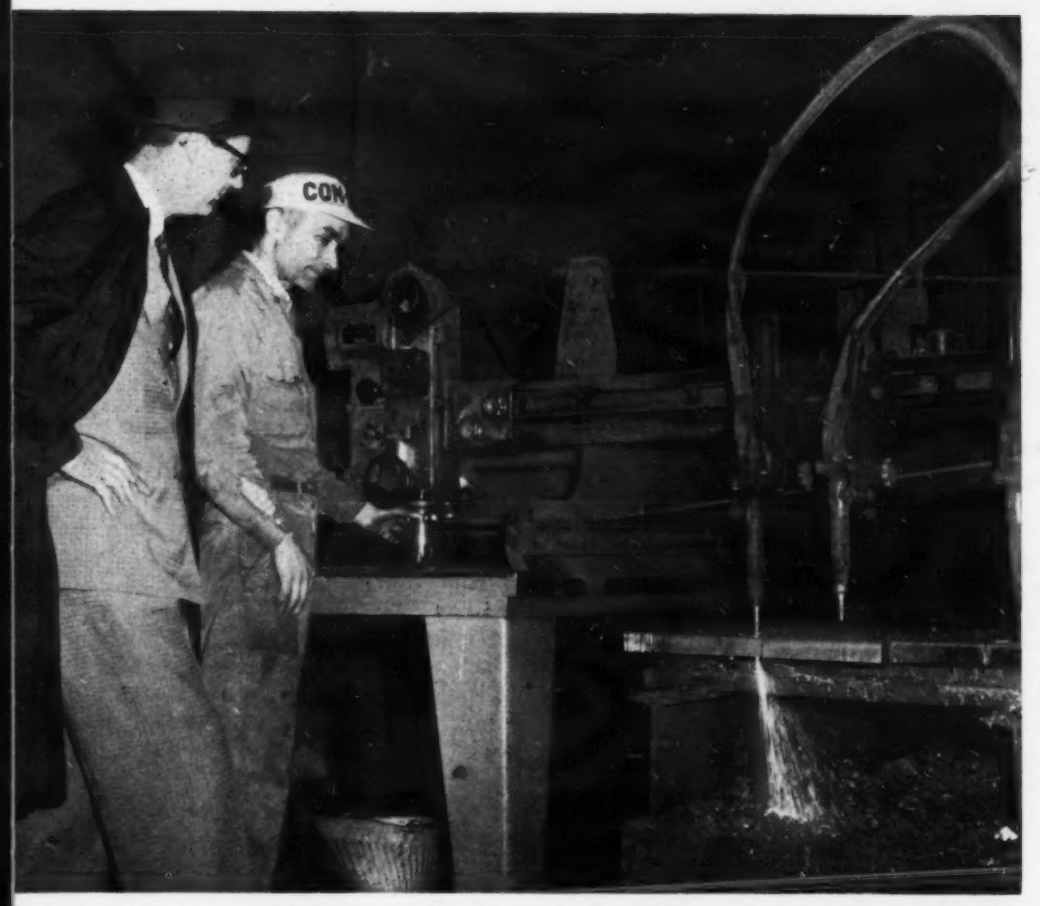


PHYSICALLY CHECK inventory for buyer who must know exact stock situation. This is familiar service for many hustling inside salesmen. Normally salesman has accurate desk-top inventory records.

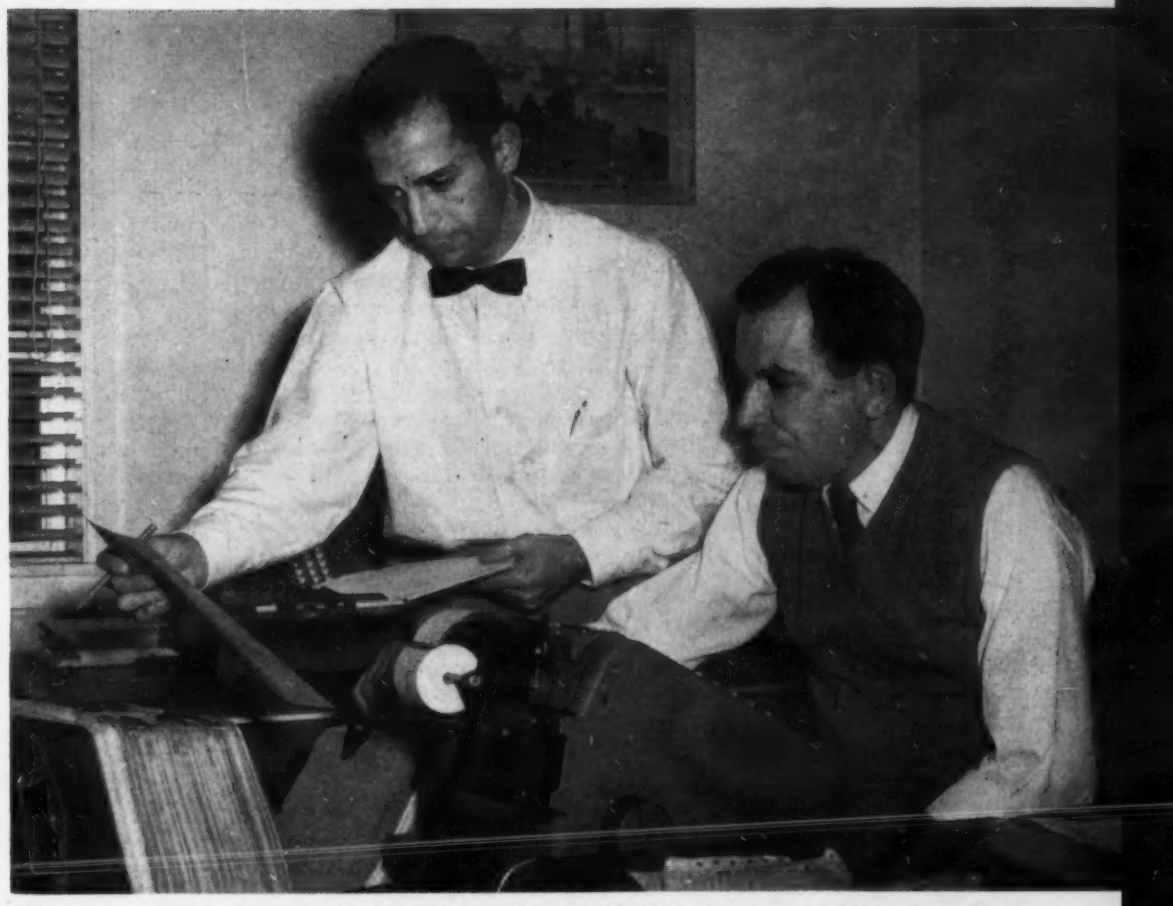
CONTACT by inside salesman with his technical people and specialists can be quick and direct, and can help serve many P.A.'s caught with last minute necessary specification changes of a rush order.

de Salesman Help the Purchasing Agent?

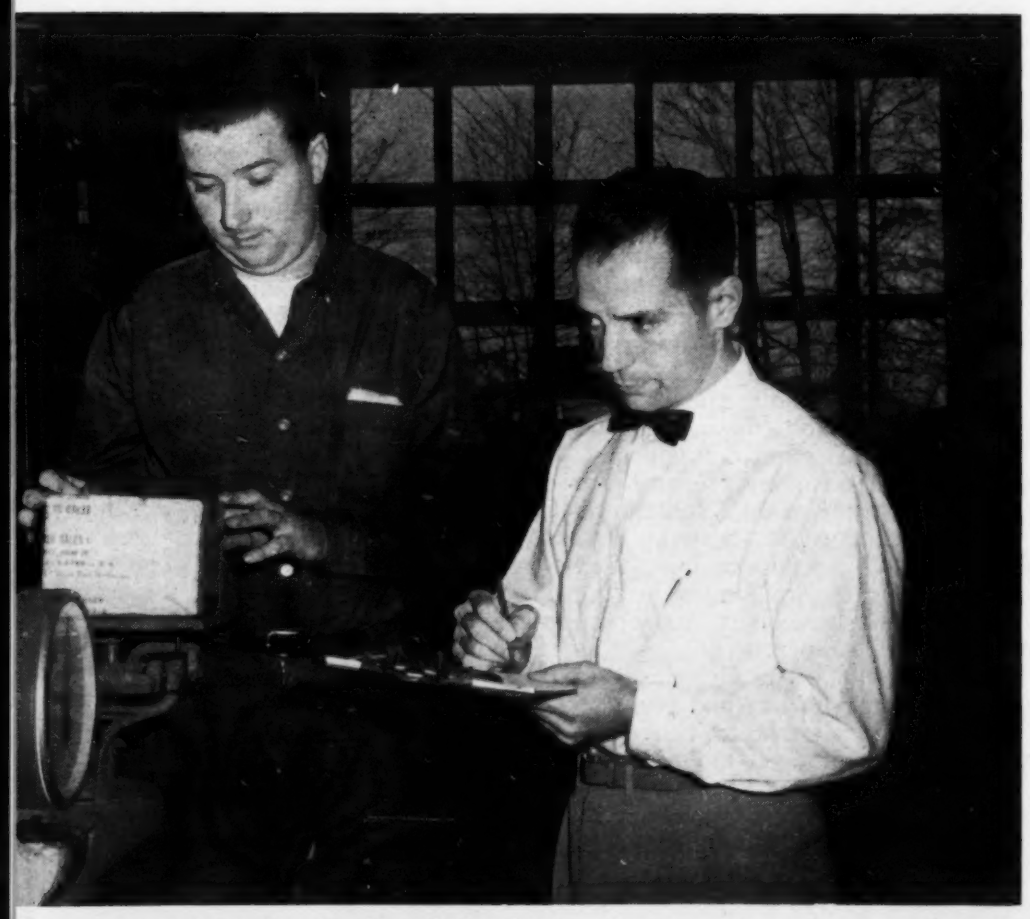
Troubleshooting at His Firm for Buyers



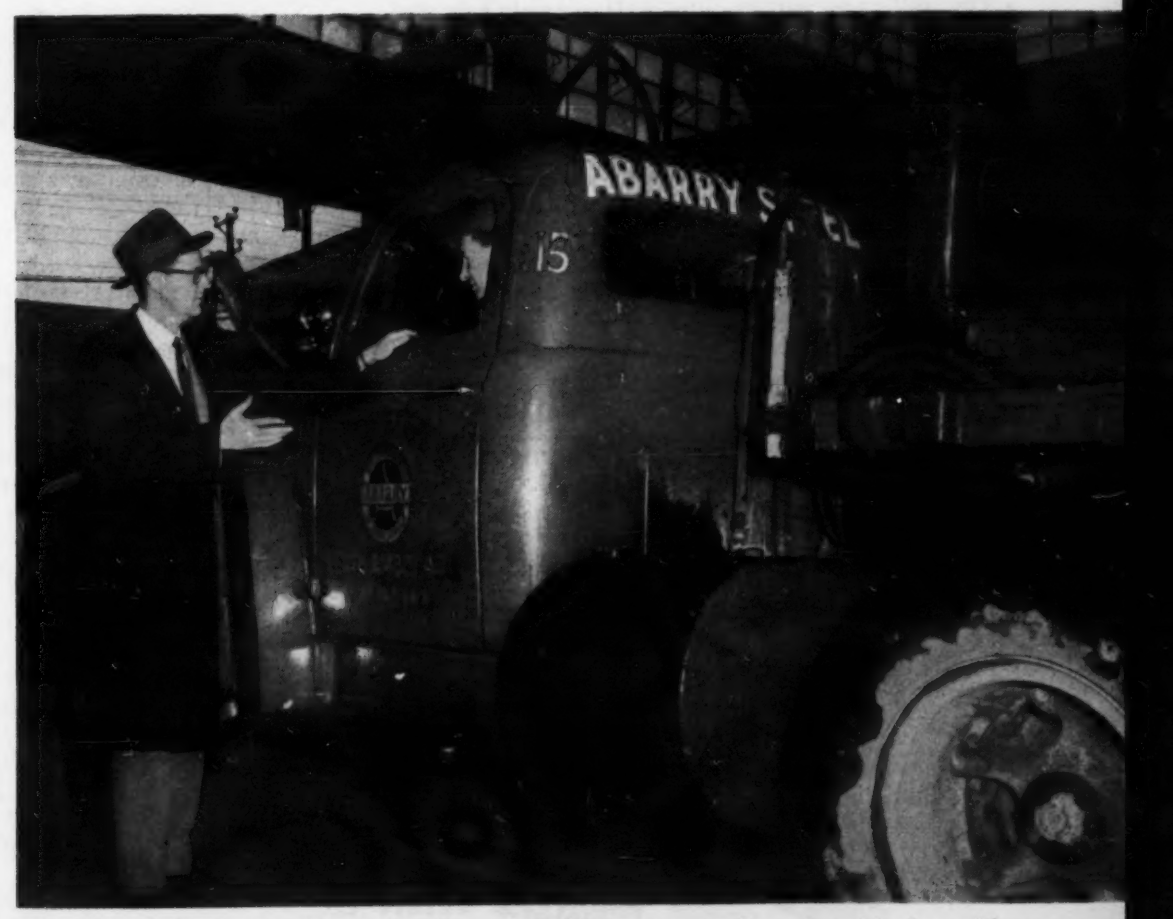
of an order is repeated occurrence for the inside man. Shop itself, in most cases, is only away so in a few seconds he can be given a report on the progress of a certain order.



CLEAR UP billing and accounting errors can be special aid to buyers. P.A. can make one call and the inside man is often able to give answers on several different matters.



NG movement of a rush order through the shipping department is service area where in- an can help. He can actually rush shipments to catch earlier truck to the buyer's plant.



FOLLOW THROUGH is final step the thorough inside man can take. A quick chat with trucker reveals anticipated arrival time of a product, matchless information to a P.A.

What Can Purchasing Do About Pilferage?

The purchasing agent is in an advantageous position to prevent pilferage in his plant, especially if stores, inventory control, scrap disposal, or traffic responsibilities are his. A close look at the following areas may nip losses before they become large:

Inventory

1. Check inventory shrinkage figures carefully. Systematic thefts may be the reason for a large period-to-period rise. If normal experience during the past five years has set a raw material destruction figure or loss of ½%, that should be your bench mark.

If losses suddenly jump to 1½% or more, it may indicate theft. It may be a mistake in inventory or evidence of poor production, but it may signal pilferage. For comparison figures, some trade associations are able to supply useful yardsticks for your industry.

2. Investigate abnormally high tool replacements. Your own knowledge of repeat orders for tools and materials will indicate whether or not there is any systematic theft.

3. If suspicious, make spot inventory checks of easy-to-steal materials. Look closely at tempting stocks of electric wire, radio tubes, small hand tools, batteries, and other items usable at home.

4. Make sure your inventory and auditing controls are good. Slipshod controls actually invite theft and cause employees to steal things for which they have no use.

Scrap Dealers

1. Cultivate the acquaintance and cooperation of these men. They can quickly spot and report to you suspicious material that may have been brought in from your plant. If they are offered material at prices substantially lower than cost, it may come from an employee who stole for resale not for his own consumption.

Traffic

1. Maintain receiving dock on the perimeter of the plant.

2. Limit number of truck gates to one, if possible.

3. Maintain a register of all incoming and outgoing vehicles, giving date and time of entrance and exit, name of driver and company, and nature of business.

4. Have smoking and rest facilities for delivery men at receiving. Don't permit them to walk through stores area.

5. Physically inspect incoming and outgoing shipments, on a spot-check basis at least.

6. Don't forget to check all railroad cars entering and leaving plant. Many companies have experienced thefts through this unsuspected leak.

Petty Pilferage Adds Up to Substantial Losses

No one likes to distrust others or be a policeman. Yet, if inventory control is your responsibility, preventing pilferage is part of it.

Every year over $500 million in stocks, tools, and finished products are stolen from industry—some perhaps in your plant, from your inventory.

Insurance companies are concerned about it because fraud losses outrank fire losses. They can help you draft a program to prevent pilferage at your plant but final responsibility rests with control of inventory, scrap, and traffic, (see box above). It may be impossible to stop plant pilferage completely, but it can be cut to a minimum.

What do pilferers pilfer? A National Industrial Conference Board survey finds these items most likely to disappear if not properly handled and supervised:

Company property. Hand tools (drills, pliers, hammers, screw drivers), nuts and bolts, nails, chain, small electric motors, fire extinguishers, first aid equipment, lumber, scrap metal, paints, fittings, micrometers and measuring devices, rubber tires, component parts, and end products.

The pilferage pattern has its ups and downs. A large aircraft manufacturer, for example, had large losses of electric wire just prior to Christmas, while shortages of paint, rope, and compasses appeared during early spring, at the boating season.

Types of goods pilfered can vary with different worker groups within the plant. One company found that new employees tend to steal tools (to use on the job), and long-seniority employees took materials (for use in the home).

The Prevention

First step to pilferage prevention is marking of company property. Professional plant security men queried by PURCHASING WEEK say there's no sense in arresting a pilferer if you can't prove that the drill under his arm belongs to your company.

Such property as spray guns, acetylene torches, chain hoists, precision gages, electric drills, and small hand tools, should be clearly marked as soon as you receive them from your vendor. Markings made by stamping, etching, or painting, are most common. These measures are as much for pilferage prevention as for pilferer prosecution.

Some companies use hidden marking techniques such as special powders and dyes that show up under infra-red or ultra-violet light. Many power tools are marked with brass plates by the manufacturer. But don't depend on plates entirely; they're too easily removed.

Even well-marked tools tempt the experienced in-plant thief. Stop him with proper crib control. Crib walls should be high enough to prevent climbing over. Outside crib windows should be screwed, not nailed in place. And a tool requisition system should be set up to detect bogus or altered requisition slips.

Regular inventories are important. And unannounced spot checks between inventories will remind would-be pilferers that stocks and tools are being watched.

Public Relations

One of the most effective ways to stop the in-plant thief is to educate him. Let employees know these things:

Crime doesn't pay. Prove it by publicizing discharges for theft. Let employees know you mean business.

Prompt reporting. Urge employees—especially those who handle stores and equipment warehousing—to notify the plant security officer immediately when something is missing. The sooner a loss is reported, the sooner management can take action.

Crimes cost the plant plenty. Some plants use displays, with price tags, showing the high cost of stealing and why it can't be tolerated.

Self protection. Tell employees what they can do to stop thefts of their own tools.

If there are any high-pilferage items that you can possibly give or sell to employees, try letting them have them honestly.

Carrier Corp.'s Syracuse plant had a problem with pilferage of surplus and obsolete items. Thieves were caught from time to time and fired. But this made for bad employer-employee relations.

The system that solved the problem offers any surplus or obsolete item in the entire plant for sale to employees on a first-come, first-served basis. Carrier officials admit the paperwork costs much more than income from sales of small items. But employee arrests for pilferage are almost nonexistent.

A Brooklyn manufacturer of paper products had a similar problem. The company's high-bulk, low-value products repeatedly found their way into employees' lunch boxes and under their overcoats.

The company cut pilferage to a negligible level by giving each employee, every six months, a half-year's supply of assorted paper products. These giveaway items cost the company almost nothing because they are "seconds" or test-run items that aren't saleable to the market, but are usable in the home.

Pilferage by Outsiders

Every time a non-company truck rolls in the gate, you may have admitted a pilferer. Outside contractors, your vendors' truck-drivers, your scrap dealer's employees—all such plant visitors must be controlled.

A lot of pilfered items go out the gate in outside contractors' tool boxes. The men enter the plant with only a skeleton kit of tools, but leave with a supply of drills, fittings, friction tape, brushes, and other supplies. Too, some of the material that floats out the gate is accidentally removed. But this doesn't make your company's loss of property any less.

Security officers recommend that such a plant visitor's tool box be checked as the outsider leaves the plant. The checker must have sufficient knowledge of production equipment and supplies to spot them in an outsider's tool box. On major items (chain hoists, shovels, ladders, crowbars, wheelbarrows) a list should be made when the outsider enters, and checked as he leaves. Nothing goes out the gate that doesn't appear on the brought-in list.

Coverage at the gate stage must be total. Plant-security people like to tell about the contractor's laborer who left the plant every night with a wheelbarrow full of wood chips, sawdust, and scraps. The gate guard carefully examined the contents for concealed tools or materials. None appeared. The worker was stealing wheelbarrows—at the rate of one a day.

Another leak in the security dike is the outflow of scrap from a plant. Frequently, valuable company property goes out with the scrap. You can check losses through the scrap outlet by:

- Supervising trucks while they're loaded, to prevent substitution or misappropriation of property.
- Checking weights of trucks—both tare and gross.
- Locking broken or otherwise scrapped tools in box trucks so that employees can't use them for good tool replacements.
- Destroying unrepairable returned or defective parts to prevent sale when disposed of as scrap.
- Following scrap disposal trucks to outside dumps to prevent diversion of property en route. (You're probably dealing with a reputable scrap dealer, but you can't be sure about his employees.)
- Checking your plant incinerator, particularly if it is isolated. Valuable company property may be hidden in the rubbish which is taken in box trucks to the incinerator.
- Fencing the scrap dump if it is located on company property.

Pilferage in Transit

If you're concerned with your company's shipping problems, you're concerned with in-transit pilferage. Insurance rates depend, in part, on how pilferproof your shipments are. As P.A., you can help the shipping department put your company's product in a container that defies pilferage.

One shipper's mistake often bemoaned by insurance companies is printing company advertising on the outer container. This is an invitation to pilferage, especially if your product is cigarettes, shoes, clothing, tools, or any other popular item that can be easily carried, and easily resold.

Anyway, say insurers, such advertising is ineffective. The people you want to reach with advertising aren't riding in boxcars or ships' holds.

Transportation security officers recommend that shippers use coded numbers and letters in place of company trademarks. Also, new lumber or boxboard should be used whenever possible. Already-scarred crating makes detection impossible when pilferers remove a box's contents, then put the box back together again.

One method of thwarting the thief who covers his tracks by nailing the crate back together is a fastener that locks the timbers together. A thief can't open the crate without splitting the wood, thereby calling attention to the theft.

Anti-pilferage measures can be worked out for individual company products. Repeated pilferage of shoes led one company to ship all left shoes in one crate, right shoes in another. Only one-legged pilferers can benefit from a broken case of the shoes from this firm.

G.E. Designs New Small Component Electric Motor; Increases Efficiency, Decreases Size

Unitized Construction Uses New Materials and New Assembly Techniques to Make Radical Change in Small Motor Design

(*Continued from page* 1)

hp. range in two types—shaded pole and permanent-split capacitor. Price range is $3.00 to $6.50. Other ratings will be made available as soon as designs are finalized and G. E. gears up its production. The company is readying 2-pole, shaded pole Unitized motors in ratings through 20-milli hp. and universal series motors of various ratings.

The Unitized motor is designed for use in air-moving and small machine applications. These are a few: ventilators, heaters, dehumidifiers, air conditioners, coolers, recorders, projectors, and business machines.

Almost the entire conventional motor concept has been scrapped. G. E. uses a number of new materials—new for motor use—and reverses conventional motor assembly procedure.

A special plastic resin—G. E. will not say what type—coats the entire stator core. During the coating process the resin seeps in between core laminations. Further processing fuses the entire core into a complete and integrated unit. G. E. says tests indicate that the new stator core insulation is not affected by humidity. Dielectric strength is boosted four times that of conventional materials. Projected life is some 10 times better than ordinary paper-slot insulation.

Additional insulation protection is provided by further processing of the stator core in epoxy varnish after winding. This step adds insulation and mechanical strength to the windings and provides anti-corrosion protection.

Reverses Conventional Way

The Unitized motor is put together reversing conventional assembly procedures. G. E. fixes the desired air gap between stator and rotor beforehand. With conventional assembly, the air gap depends on accumulated dimensional differences built up during manufacture of the individual components. Too much, or too little air gap causes rejects. Usually it doesn't show until the motor is virtually completed. And, of course, rejects add to motor costs.

G. E., by determining in advance the air gap, cuts rejects drastically and also assures the optimum in operating noise level, starting characteristics, and efficiency. By cutting rejects with its new design, G. E. opens the door to eventual lower-cost small motors.

Bearings are permanently aligned on the rotor shaft during assembly. Rotor plus gearings then are slid into the stator. End shells are attached next. Small shims maintain the fixed air gap during this step of assembly.

Unitizing—Key Assembly Step

The motor gets its name from the key assembly step—Unitizing. The end shells are bonded to the stator (see picture to right) by a new resin and the shims removed. Accumulated dimensional differences are taken up by the resin at the bonding line. There is no change in the air gap distance.

Over-all the new design offers the user these advantages: either higher output for the same size, input, and temperature rise; or lower current input for the same size, output, and temperature rise; or lower temperature rise for the same size, input, and output.

Bearings, also have been redesigned. A continuous hydrodynamic oil film supports the motor shaft in all of the new sleeve-bearing Unitized motors. Excess loss of oil is prevented by a capillary retention system. Life expectancy is considerably increased, say G. E. engineers.

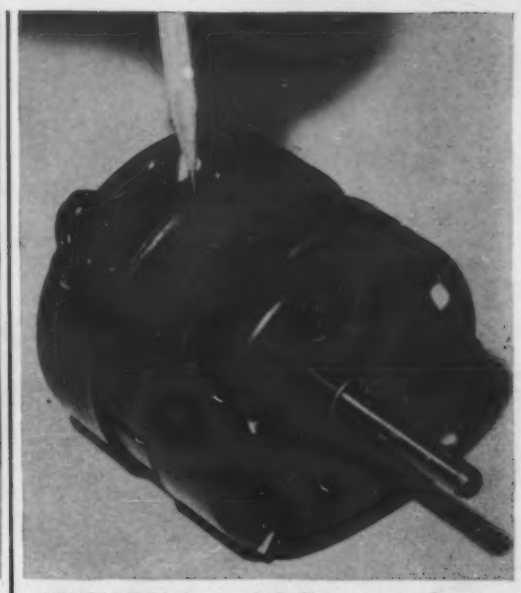
Only Annual Reoiling Needed

G. E. recommends only annual reoiling of its motors. Recommended reoiling time on many conventional motors of this type is every 3 to 6 mo.

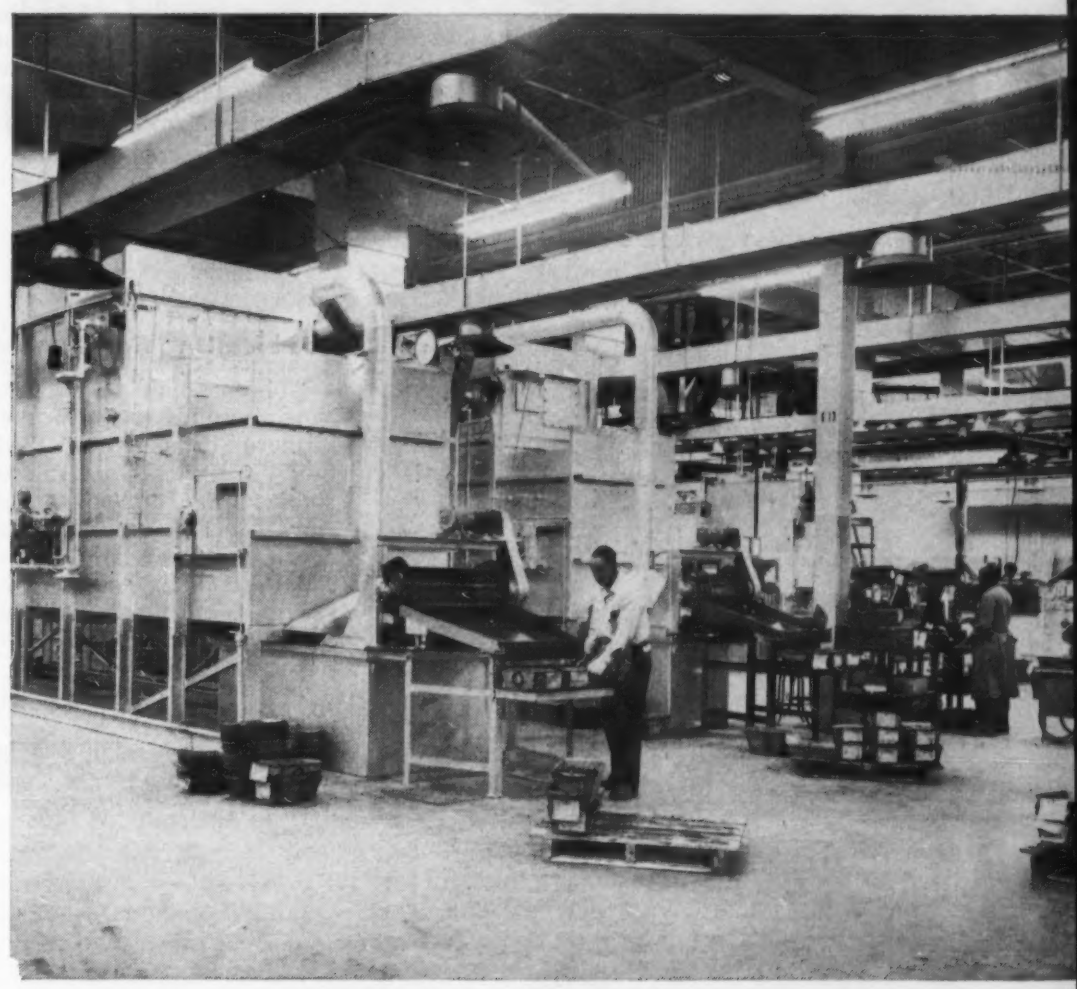
The end shields rigidly support the bearings. Thus even side loading can be tolerated and the motor can be mounted in any position.

Mounting flexibility lets the motor meet many special requirements without factory modification. The motor will take a variety of mounting shaft arrangements, shaft extensions, and lead materials. Both open and enclosed motors are available. Special enclosures can be provided where needed.

UNITIZED MOTOR has stator coated with new resin. Pencil points to coil coating.



ADHESIVES joins end shells to stator frame, preserves critical rotor air gap distance.



Here's your weekly guide to . . .

Ceiling Panels

Reduce Plant Noise

Non-combustible, acoustical fiber glass ceiling panels can reduce as much as 90% of plant noise. "Panelglas" units are 2-ft. square or 2 ft. by 4 ft. and 1¼ in. thick. They are held in place by a simple, inexpensive grid suspension system. The panels can be cleaned easily.

Price: installed, 40 to 50¢ per sq. ft. with suspension system. Delivery: immediate.

Johns-Manville, 22 E. 40th St., N. Y. (P.W., 4/27/59)

Transformers

Half Previous Size

Line of 3-phase general purpose resin-filled transformers in 9 and 15 kva. ratings. Can be used for lighting loads, fans, tools, pumps, etc. New resin construction reduces volume to 50% of old models and improves mechanical strength.

Price: 5,000 v. and below: 9 kva., from $282; 15 kva. from $411. Delivery: immediate.

Westinghouse Electric Corp., Box 2099, Pittsburgh, Pa. (P.W., 4/27/59)

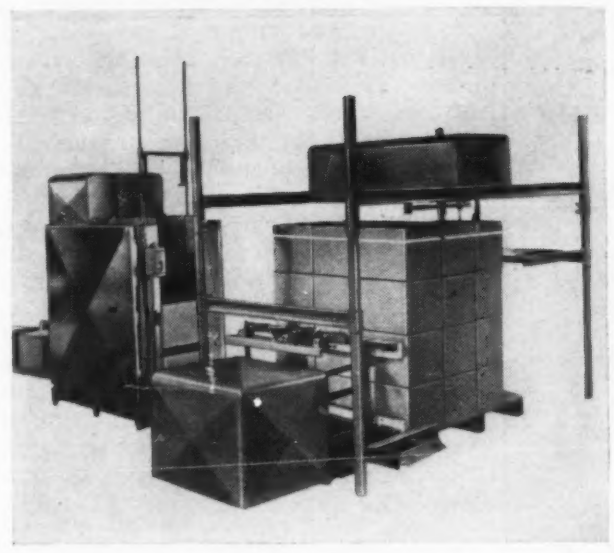
Microfilm Printer

Combination Printer-Reader

"Thermo-Fax" Twenty-Nine microfilm reader-printer produces prints up to 18 in. by 24 in. in less than 15 sec. Engineering drawings and any other material on 35 mm. aperture or tabulating cards can be copied. Anyone can operate the unit without training. Each roll of copy paper makes 100 prints.

Price: $919. Delivery: immediate.

Minnesota Mining & Mfg. Co., 900 Bush Ave., St. Paul, Minn. (P.W., 4/27/59)



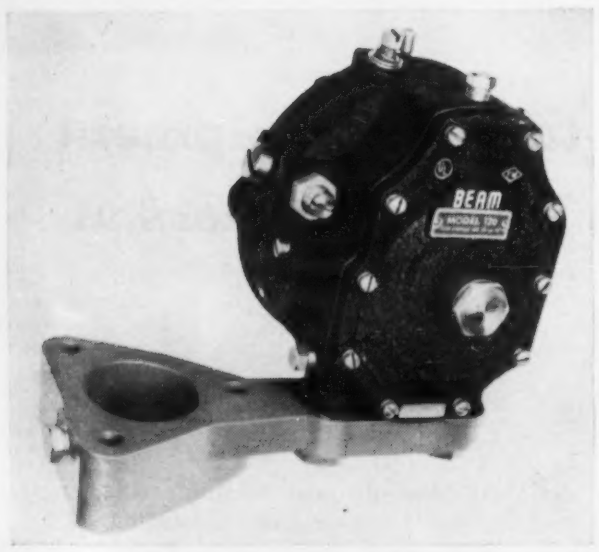
Pallet Loader

Completely Automatic

Automatically stacks cases, cartons, kegs, and other containers on a pallet ready for further handling. Consists of a stacker, a pusher and taper, and a conveyor to connect them to existing production lines. It can handle up to 15 units a minute. Installation takes less than 80 sq. ft.

Price: $5,500 to $7,500. Delivery: 4 wk.

Lathrop - Paulson Co., 2459 W. 48th St., Chicago, Ill. (P.W., 4/27/59)



LP Gas Conversion

Simplified Installations

Beam Water-Runner converts gasoline engines for LP Gas use. Models are designed for specific engines used in fork lifts, automobiles, and trucks. A complete installation includes a vaporizor-regulator, a filter-solenoid valve, and a safety switch.

Price: $165. Delivery: immediate.

Beam Products Mfg. Co., 3042 Rosslyn St., Los Angeles, Cal. (P.W., 4/27/59)

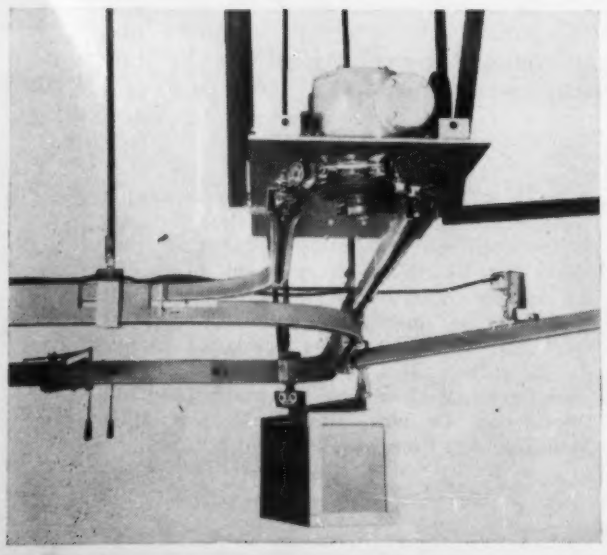
Marking Ink

Won't Rub Off

Marking ink in a 6 in. by 1 in. writing tube with different size ball points for making lasting $\frac{5}{64}$, ⅛, or $\frac{3}{16}$ in. wide lines to code, number, or mark smooth or rough surfaces of metal, wood, plastic and glass. Fast-drying ink will withstand heat and weather and will not rub off. Available in 8 colors.

Price: $1 a tube. Delivery: immediate.

John P. Nissen, Jr., Co., Glenside, Pa. (P.W., 4/27/59)



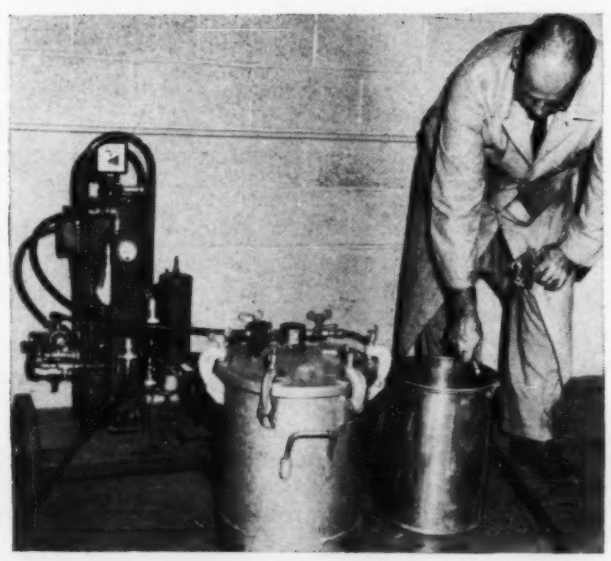
Overhead Conveyor

Handles Up to 600 lb.

"Power-Flex" overhead power and free conveyor system is designed to handle loads up to 600 lb. per work carrier. Route selector dials can be set to send the carrier to any of 80 stations. Standardized assemblies fit almost any application.

Price: $30-$50 per ft. installed. Delivery: immediate.

Conveyor Div., Columbus McKinnon Chain Corp., 5000 Fremont Ave., Tonawanda, N. Y. (P.W., 4/27/59)



Cleaning Unit

For Painting Equipment

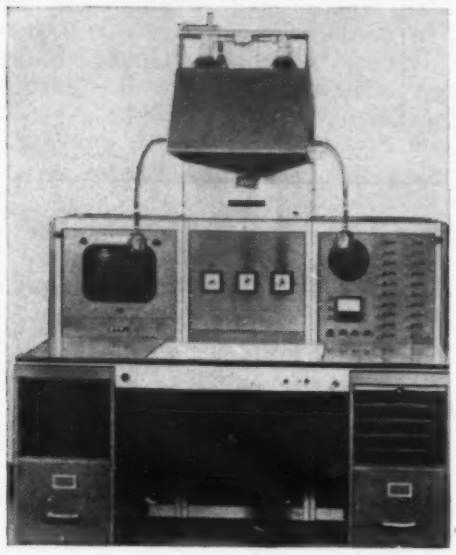
Unit can clean complex finishing equipment like automatic spray machines, paint heaters, and multi-station systems. Metering valves permit use of all air, all cleaner, or both. Used solvent (picture) is being directed into the can at the right.

Price: $80 (2 gal.), $131 (5 gal.), $154.50 (10 gal.), $196 (15 gal.) delivery: immediate.

DeVilbiss Co., Toledo 1, Ohio. (P.W., 4/27/59)

New Products

Another PURCHASING WEEK service: Price and delivery data with each product description.



Closed Circuit TV

User Can Dial Station

"Dial-Data" TV system gives any number of offices throughout the plant instantaneous visual access to data. The console in the picture contains racks of records, files, schedules, etc. of constantly changing data of continual interest to various users. Any user can get the information he needs by dialing its location much the way he would place a telephone call. The required information then appears on his monitor.

Cost: Approx. $7,000. Delivery: 4 mo.

Dage Television Division, Thompson Ramo Wooldridge, Inc., Michigan City, Ind. (P.W., 4/27/59)

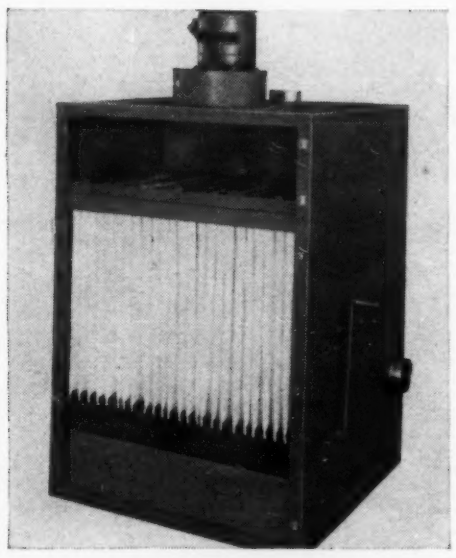
Hand Protection

Forms "Protective Glove"

Aerosol spray is designed to keep hands clean and germ free. It seals out grease, dirt, paints and varnishes, oil, stains, solvents, and chemicals. It comes from the aerosol can in foam form and is rubbed into the area to be protected. At the end of the day the worker washes his hands and removes the protective covering along with any accumulated dirt or grease. Each application lasts approximately 4 hr. Large can contains over 225 applications; small can about 100.

Price: $1 (small can), Approx. $2. (large can). Delivery, immediate.

Acrolite Products, Inc., West Orange N. J. (P.W., 4/27/59)



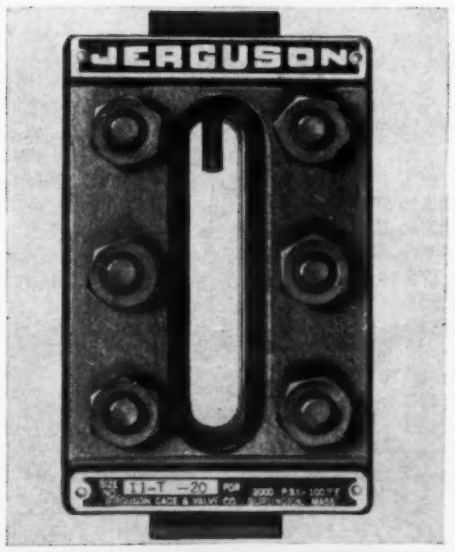
Dust Collector

Is 99.9% Efficient

Model 90 cabinet cloth filter dust collector will remove 99.9% of all dust, even with a high concentration of particles smaller than 1 micron. It operates in the 650 to 1,535 cfm. range. The high filtering efficiency permits recirculating the air indoors. Dust falls into a pull-out drawer with a 5.5 cu. ft. capacity. The collector is 76-in. tall and occupies a floor space 40 by 36 in. Total cloth filtering area is 250 sq. ft.

Price: $898. Delivery: 2 to 3 wk.

Torit Mfg. Co., Department KP, Walnut and Exchange Sts., St. Paul, Minn. (P.W., 4/27/59)



Drip Feeder

Works Under Pressure

Drip sight-feeder is designed for use where drip feeding is required under high pressure. It operates in corrosive conditions, and in a temperature range from below 0 F. to 750 F. The feeder has a ⅛ in. dia. drip tube which extends into the upper portion of a transparent flow indicator allowing operator to see the drop formation. It is available with ½ in. or ¾ in. female or 1 in. male end connections. Chambers and covers are rustproofed.

Price: $35.85 with ½-in. connection, carbon steel. Delivery: 6 wk.

Jerguson Gage & Valve Co., 80 Adams St., Burlington, Mass. (P.W., 4/27/59)

This Week's

Product Perspective

APRIL 27-MAY 3

The advent of more and better materials is stirring up the packaging industry like never before. Purchasing executives could see this at the recent American Management Association's National Packaging Exposition (P.W. April 20, p1).

New materials are prodding the old ones for prominence. At the same time they are exerting pressure on the machinery makers to come up with appropriate machines. The materials' producers themselves face the problem of searching out new applications for their inventions. They know they have potentially useful materials, but they are pressed to find out just what the right applications should be.

These are some of the new materials you will be hearing more about:

• **Films are creating the most stir.** Conventional, or low-density polyethylene, is the lowest-cost, transparent, heat-sealable film. Machine handling problems have just about been licked. And the material is ready for mass-produced products.

Beyond low-density poly lies its high-density relative. High-density poly costs more than conventional. **But when you add high-density's improved properties—ability to cope with wider temperature range, better clarity, easier machine handling, better resistance to oil, grease, and moisture— the higher price may be worth paying.** The problem is to translate these properties into a packaging material that does the best job for certain uses.

Producers are working with new ways to make poly film. Fast chilling, for instance, of the film as it comes from the extruder turns out a product that has better clarity and gloss. Other techniques are under study. From them should come a huge variety of films suitable for a wide range of packaging applications.

Polypropylene film, another relative of polyethylene film, has promise as a packing material. Its strength compares with low-density polyethylene and, in other properties, it closely matches high-density poly. Thus polypropylene could combine the properties of the two polys. Even more enticing is the fact that the yield of film per pound of material is considerably higher. Its higher cost could balance out here for some applications.

Bi-oriented polystyrene film is another comer. It is an exceptionally clear film with good dimensional stability. But heat sealability is still a problem. Overcome that, and its low cost—lowest of all the films—will make it a big-volume material. One producer has developed an anti-fog treatment that preserves film's clarity when used to package moist products.

• **Paper makers are not standing still. Coating techniques and new coating materials will boost even further the use of paper.** A big breakthrough is glueable polyethylene coatings. The development permits the use of stronger, more rugged paper packages.

Stretchable paper (P.W. Feb. 10, '58, p. 18; Mar. 2, '59, p. 14) is finding applications in areas other than multi-wall bags. Examples: corrugated liners and faces, and overwraps.

• **Aluminum for cans is gaining in popularity.** Such diverse products as sardines, motor oil, cheese, beer are already available in aluminum cans. More products are certain to come.

Aluminum aerosol containers are also on the way.

Better machines are helping aluminum foil along. They are handling foil faster and better, making more types of packages available. And foil may find a big market in bread wrapping if market testing proves successful.

Purchasing Week Definition

Plastics Terms

Resin—Solid or semi-solid organic products of natural or synthetic origin. Generally have high molecular weight, no fixed melting point. Some can be crystallized. Some are water soluble.

Cure—Chemical reaction changes physical properties of material. Reaction may be condensation, polymerization, vulcanization. Usually done with heat and catalysts, alone or in combination, with or without pressure.

Catalyst—Material that starts or speeds up a chemical reaction, without entering into the reaction.

Accelerator—Material that speeds reaction. Cuts curing or hardening time by becoming a part of the reaction.

Polymerization — Chemical reaction where molecules of a monomer (simple molecule capable of reacting) link together to form large molecules called a polymer. Polymer's molecular weight is multiple of original monomer's molecular weight.

Plasticizer—Chemical agent added to plastic composition to make it softer and more flexible.

Preform—Preshaped fibrous reinforcement formed by the distribution of chopped fibers over the surface of a mold. Preform has approximate size and shape of finished part. **(P.W., 4/27/59)**

How to Evaluate Ultrasonic Cleaners

A new technique—ultrasonic cleaning—is tackling some of industry's tough cleaning jobs. With the technique a wide variety of components—especially those with complex contours or small recesses—can be quickly and efficiently cleaned.

Ultrasonic cleaning uses high-powered sound waves generally at frequencies above the audible range. The sound waves, operating in a liquid bath—do the cleaning.

An ultrasonic cleaner consists of two basic components, an electric generator which supplies power at an appropriate frequency and an electro-mechanical transducer which converts the electrical energy from the generator into sound energy. Both must be carefully selected.

An ultrasonic generator is an electronic power generator which produces a fixed frequency and a rated power. The industry offers wide and narrow band tuning devices. Tuning is critical and directly affects the efficiency of the cleaner.

While it is important that all generators should be considered on the basis of the average power rating and not peak power, the most important consideration according to Irwin Steinberg, Vibro-Ceramics Division, Gulton Industries, Inc., is the total average power rating in watts. This is the prime consideration because cleaning effectiveness depends on how much power is applied per given volume of liquid.

A transducer, by definition, is any device that converts one form of energy into another. In ultrasonics, the conversion is from electrical to sound energy. Transducers for ultrasonic cleaning are generally magnetostrictive—a metal device. Or they can be piezoelectric—ceramic crystals which vibrate when excited by electrical energy.

Manufacturers are beginning to employ modular selection or interchangeability of components. Thus, the right combination of cleaning tank and generator, depending upon whether the job needs light-, medium-, or heavy-duty cleaning, can be easily achieved for maximum efficiency at the lowest possible price.

Characteristics of Ultrasonic Cleaners

Company	Model	Tank Capacity	Frequency	Average Power	Type of Transducer	Operating Temperature	Price	How Distributed
Acoustica Associates Inc. 26 Windsor Ave., Mineola, N. Y.	DR 50 AH	1¼ gal. to 75 gal.	40 kc.	50 w. to 2,500 w.	Ceramic	140 F.	$350 to $5,000	Direct, distributors, representatives
	DR 2500 AH GU 150-GU 720	3 to 8 gal.	20 kc.	150 to 700 w.		240 F.	$795 to $2,290	
Alcar Instruments, Inc., 17 Industrial Ave., Little Ferry, N. J.	2803 Generator	1 pt.	40 kc.	20 w.	Ceramic	150 F.	$175	Direct, distributors
	2805 Generator	1 gal.	40 kc.	60 w.	Ceramic	150 F.	$350 with 1-gal. tank or one immersible transducer.	
	2815 Generator	2 gal.	40 kc.	125 w.	Ceramic	150 F.	$565 with 2-gal. tank or two immersible transducers.	
	2825 Generator	5 gal.	40 kc.	250 w.	Ceramic	150 F.	$795 with 5-gal. tank or four immersible transducers.	
	2850 Generator	10 gal.	40 kc.	500 w.	Ceramic	150 F.	$1,325 with 10-gal. tank or eight immersible transducers.	
	2855 Generator	25 gal.	40 kc.	1,000 w.	Ceramic	150 F.	$2,500 with 25-gal. tank or 16 immersible transducers.	
	2010 Transducer	1 gal.	20 kc.	100 w.	Magnetostrictive	300 F.	$375 generator only.	
	2025 Transducer	5 gal.	12 kc. to 50 kc.	250 w.	Magnetostrictive	300 F.	$650 generator only.	
	2100 Transducer	25 gal.	20 kc.	1,000 w.	Magnetostrictive	300 F.	$1,500 generator only.	
	3009 Transducer	1 gal.	20 kc.	250 w. input	Magnetostrictive	300 F.	$250 transducer for 2025, 2100.	
American Machine and Solvents Co., Inc., 79-22 71st Ave., Brooklyn 27, N. Y.	AMASCOSONIC	to order	20 kc. from 40 kc.	to suit	Magnetostrictive Ceramic	To 170 F.	From $500.	Direct
Branson Ultrasonic Corp. 37 Brown House Road Stamford, Conn.	T Series	½ to 32 gal.	38 kc.	65 to 1,000 w.	Ceramic	To 160 F.	$375 to $3,500	Field offices, representatives
	TH Series	½ to 32 gal.	38 kc.	65 to 1,000 w.	Ceramic	160 F.	$415 to $3,650	
	C-Series	5 to 32 gal.	38 kc.	250 to 1,000 w.	Ceramic	160 F.	$2,000 to $11,000	
	APT-500	75 gal. and up with multiple units	38 kc.	3kw. and up	Ceramic, Immersible types	160 F.	$10,000 up	
Gulton Industries Inc., Vibro-Ceramics Div., Metuchen, N. J.	Glennite Ultrasonic cleaners	½ to 25 gal. larger units custom built	36 kc.	50 to	High-temperature ceramic	To 350 F.	From $440 to $3,290 for stock units.	Direct, distributors.
Harris Transducer Corp. Woodbury, Conn.	T20 P D20-60	1 pt.	20 kc.	60 w.	Magnetostrictive	212 F.	$234	Distributors, representatives
	T20Q D20-60	1 qt.	20 kc.	60 w.	Magnetostrictive	212 F.	$249	
	T202 D20-300	2 gal.	20 kc.	300 w.	Magnetostrictive	212 F.	$549	
	T205 D20-400	5 gal.	20 kc.	400 w.	Magnetostrictive	212 F.	$795	
	T210 D20-4002	10 gal.	20 kc.	800 w.	Magnetostrictive	212 F.	$1,495	
	S20-100 D20-400	Immersible	20 kc.	400 w.	Magnetostrictive	212 F.	$150	
Hermes-Sonic Co. 13 University Place, New York 3, N. Y.	ST-225	1 qt.	1 meg.	125 w.	Ceramic	To 160 F.	$298	Direct
	H-225	1 gal.	1 meg.	125 w.	Ceramic	To 160 F.	$348	
	960	1 pt.	42 kc.	35 w.	Ceramic	To 160 F.	$195	
	L-605	9½x5x6 in.	42 kc.	100 w.	Ceramic	To 160 F.	$396	
	L-905	6x8x10 in.	42 kc.	125 w.	Ceramic	To 160 F.	$594	
Kin Tel, Div. of Cohu Electronics, Inc. 5725 Kearny Villa Rd., San Diego 12, Calif.	M-203 B Transducer	Up to 1 gal.	26 kc.	400 w.	Magnetostrictive	300 F. at transducer (cooling water required)	$395	Representatives
	PS-400 Power supply		26 kc.	400 w.			$895	
Narda Ultrasonics Corp. 625 Main St., Westbury, L. I., N. Y.	Standard Table Top Models	¼ to ⅜ gal.	90 kc.	35 w.	Ceramic	120 to 180 F.	$175 to $220	Direct, distributors, representatives
	Series 200							
	Series 400	¼ gal.	90 kc.	45 w.	Ceramic	120 to 180 F.	$275 to 285	
	Series 600	½ to 1 gal.	40 kc.	60 w.	Ceramic	120 to 180 F.	$345 to $555	
	Series 1500	5 gal.	40 kc.	300 w.	Ceramic	120 to 180 F.	$695 to $705	
	Series 5000	5 to 20 gal.	40 kc.	500 w.	Ceramic	120 to 180 F.	$1,175 to $1,415	
	Series 10000	30 gal.	40 kc.	1,000 w.	Ceramic	120 to 180 F.	$2,555	
	Series 25000	75 gal.	40 kc.	2,500 w.	Ceramic	120 to 180 F.	$4,360	
	Consoles							
	Series 3000	5 gal.	40 kc.	300 w.	Ceramic	120 to 180 F.	$1,495 to $2,990	
	Series 6000	10 gal.	40 kc.	500 w.	Ceramic	120 to 180 F.	$2,495 to $3,495	
	Series 11000	30 gal.	40 kc.	1,000 w.	Ceramic	120 to 180 F.	$7,945	
Phillips Mfg. Co. 3475 W. Touhy Ave., Chicago 45, Ill.		From 1¼ gal.	40 kc.	50 to 2,500 w.	Ceramic	To 160 F.	From $350	Representatives

This Week's

Foreign Perspective

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Moscow—A statistical roundup of the Russian chemical industry shows some substantial strides.

Chemical equipment in the first quarter was reportedly running some 22% above a year ago. A 300% boost is targeted by 1965.

Almost as impressive are actual output figures for specific chemicals. Over-all they were up 11% above last year's totals.

Reported as exceeding quarterly goals were production figures for sulfuric acid (up 6% over 1958) and synthetic fibers (also up 6%).

Also above target were: caustic soda, soda ash, synthetic ammonia, chemical fertilizers, rubber, soap, paper, and "many types of plastics and synthetic resins."

The chemical raw materials sector also did well—with oil, coal and gas all overfulfilling quotas. Oil was up 13%; gas up 28%; and coal up 3%.

Other production figures over the top—iron ore, lead, zinc, aluminum, tin, magnesium, nickel, and refined copper.

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London—United States is now Britain's largest export customer.

Even more significant is the fact that consumer goods account for more than half of all British stateside sales. That's the picture revealed in a recently released Board of Trade statistical report.

Value of British exports to the U.S. rose from $178 million in 1948 to $763 million in 1958. In the period 1952 through 1958 value of manufactured goods sold to the U.S. increased by $339 million to $686 million.

Main classes of consumer goods—including automobiles—during the six years, increased from $249 million to $448 million. The remainder, mainly capital goods, rose by $140 million to $238 million.

The Board of Trade adds that direct British exports to Russia have also risen. They're up from $10.3 million in 1951 to $66.3 million in 1958.

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Tokyo—Three major trading firms here may get together to export 50,600 tons of ferromanganese to the United States.

Plans call for a barter deal involving the swapping of $24 million worth of the ferromanganese in exchange for U.S. surplus farm products of similar value.

All three trading firms are confident that the deal will go through—as negotiations with C.C.C. are already under way to put ferromanganese on the list of strategic items.

Japan failed to import any U.S. surplus farm products last year. But in 1957, she imported a total of 682,000 tons of wheat and barley worth $49 million on a loan basis from the U.S.

The proposed barter deal calls for the importation of about 50,000 tons of soy beans, and about 80,000 tons of corn from the U.S. It will be handled by 18 designated firms so that profits will not be monopolized by a few giant Japanese enterprises.

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Cairo—Economic deals between Egypt and the Communist bloc continue—despite United Arab Republic-Red quarrel over Iraq.

The latest is a three-year trade agreement and a one-year payments agreement signed between Cairo and Hungary.

Under the agreement the most favored nation clause is applied to Hungary. The agreement also covers the question of import and export licenses from the U.A.R. and the means of transporting the goods between the two countries.

Hungary will buy $14 to $16.8 million worth of cotton annually from the U.A.R. in return for industrial goods.

Goods exchanged between the two countries (the Egyptian region of the U.A.R. and Hungary) were valued at $23 million in 1958 as compared with less than $9 million in 1953.

Goods exchanged between the Syrian region of the U.A.R. and Hungary in 1958 were 40% higher than in 1957.

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Vienna—The Soviet Union seems determined to make the "ruble bloc" as potent an international trade force as the "dollar area" and the **"sterling bloc".**

The first step in this direction has already been made, since all trade agreements concluded between the U.S.S.R. and its satellites have been on the basis of the ruble.

The share of East bloc countries in world business is one reason for this new goal. The Iron Curtain Group participates in 12% of the world trade, of which 8% is made up of deals between countries of the East bloc. The other 4% comprises trade with "capitalist" or "uncommitted" countries.

Another reason: The Soviet expectation that the Communist area will produce more than half of the world's total industrial goods in 1965. Soviets think this would necessarily make the ruble a force in the area of international goods exchange and money circulation.

The ruble is supposed to gradually enter the arena of the world markets, with the aim to eventually replace the dollar. Periods ranging from seven to ten years are increasingly mentioned, after which it is held possible that the ruble could be declared single decisive currency.

Northern Aluminium Building N. Zealand Fabrication Unit

London—Another overseas aluminum venture has been announced in Britain.

Northern Aluminum Co., the U.K. subsidiary of Aluminium Ltd., Canada, will build fabricating facilities in New Zealand.

The plant will have an output capacity of 5,000 tons of aluminum sheet annually, plus 2,000 tons of aluminum wire and cable. Initial investment will approximate $5.6 million.

The new plant, it's anticipated, will provide New Zealand with its total requirement of sheet and cable.

El Salvador Copper Mine Starts Production in April

Santiago, Chile—Anaconda Co.'s El Salvador mine will go into production this month as the largest new copper mine to be developed in more than 15 years. Initial production will total about 3,500 tons a month, but output is expected to increase to 100,000 tons a year by July.

The El Salvador mine is expected to be one of the lowest cost copper operations in the world. About the time it swings into production, however, another Anaconda mine at Potrerillos will be shut down after more than 30 years of production.

Standard Tube to Make Welded Steel Tubing

Montreal—Standard Tube & T. I., Ltd., one of Canada's largest producers and distributors of mechanical and boiler tubing, has announced plans to manufacture welded steel tubing.

The company's warehouse facilities will be expanded to accommodate a modern tube mill and additional equipment.

Atlas Steel Cuts Stainless Sheet, Plate Prices 15%

Toronto, Ont.—Atlas Steel, a Welland, Ont., specialty steel-maker, has announced a 15 to 20% price reduction on No. 1 finish stainless sheet and plates. Aiming to capture as much of the Canadian market as possible, Atlas said the reductions bring its prices into line with competing imports from Britain, Sweden, and the United States.

The company, which now claims 35% of the big volume market, said it has set a goal of 90% or more of Canadian No. 1 stainless sales. Atlas said lower production costs resulting from installation of a continuous casting process made the price cuts possible.

Export Combine Formed

Amsterdam — Eighteen Netherlands' furniture manufacturers have established an export combine to market Dutch-made furniture in the United States. The U. S. designation of the firm will be the Netherlands' Furniture Factories.

A P.W. Profile

Burdon G. Lowe, Risdon Mfg. Co. P.A., Designs and Makes Original Bow Ties

When the next salesman from Risdon Mfg. Co. enters your office, notice the bow tie he has on. It's because of Risdon's P.A., Burdon G. (Don) Lowe, that salesmen from this Naugatuck, Conn., company, sport ties with a safety pin design. Enterprising Don, who believes that his avocation is not inconsistent with his vocation, presented the entire sales staff with ties which picture one of the products which his company manufactures.

His main avocation is the making of bow ties—Lowe-Bow Originals. About eight years ago, Don recalls, he noticed a friend's bow ties were very smart and unusual. After learning that his friend's wife made them by hand, he mentioned them to his wife Ann, a very fine sewer. Together they chose the most striking material they could find, and Ann made several ties for Don.

Don and Ann joined a craft society (Society of Connecticut Craftsmen, Inc.) to get some new ideas for ties and to learn about silk screening. Since then they have been traveling around Connecticut, exhibiting and selling their unusual ties at craft and church fairs.

Lowe-Bows Have to Be Tied

One reason for their success is the choice of unusual patterns—something different. "And all our bow ties have to be tied," Don adds. "We believe a bow tie has to be tied to look original." The Lowes have gone a step further recently and are now making bow ties, with cufflinks to match, for women.

Lowe-Bow Originals have become quite well known as "special occasion" ties. On St. Patrick's day many a marching Irishman wore a Lowe-Bow with shamrocks on it. Valentine's day found many a heart-imprinted Lowe-Bow. It's an open field for almost any sportsman.

BURDON LOWE with wife, Ann, have fun selecting unusual fabrics for 'Lowe-Bows.'

"The entire family helps make Don's hobby," Ann said. Even the children, Nancy Ann, 16, and Martin, 13, contribute. For example, the children ran the booths at the Connecticut Craftsman exhibit at the Danbury fair and Gifford Crafts fair. Besides this means of relaxing together, the Lowe's are a very music-minded family and occasionally have family jazz sessions. "After all, that's how we met," Ann reveals. She was a singer with a band Don organized after his college days. Later, Ann had her own radio program in Waterbury, and Don had his own disc jockey program. He played records from his personal collection of over 2,000 interspersed with stories of jazz.

Any sign that you're interested in music will prompt Don to tell you about his "collectors items." Back in 1930, Don purchased a rare Gennett record featuring Louis Armstrong which had been cut in 1922, and an original Vocalion featuring Sidney Bechet, for less than 25¢ each. Fifteen years later the same records were auctioned off for the sum of $35.

Incidentally, Don, who is president of the Purchasing Agents Association of Connecticut, is now parish clerk of the Trinity Episcopal Church in Waterbury, Conn.

This Changing Purchasing Profession . . .

NEIL McLEAN has been appointed general purchasing agent of Columbia Cellulose Co., Ltd., and Celgar, Ltd., Vancouver. He succeeds T. C. Spangler who has been transferred to Fiber Industries, Inc.

Purchasing Dept. Promotes 4 At Western Pacific Railroad

San Francisco—Walter C. Brunberg has been advanced to director of purchasing and stores for the Western Pacific Railroad Co. He formerly had been manager of these two departments.

John C. Baird has been appointed purchasing officer. He succeeds Joseph C. Marchand who retired after 44 years service with the railroad.

Alfred S. Kasper and Donald L. Carman have been named materials officer and material control supervisor respectively.

W. M. Hatch, who joined **MacLaren Ltd.'s** purchasing department in 1946, has been appointed president of the Toronto firm. He had been serving as vice president.

John T. Andrews has been named purchasing agent, **Bird & Son, Inc.,** East Walpole, Mass., succeeding **Howard S. Hanna** who retired after 18 years in the post. **Herbert W. Church** has been promoted to assistant purchasing agent and **Arthur E. Plummer** named assistant to the purchasing agent.

Lewis A. Greene has been promoted to purchasing manager of **Aeroquip Corp.'s Jackson Division,** Jackson, Mich.

W. O. Muller has been advanced to assistant purchasing agent by **Behr-Manning Co.,** Troy, N. Y.

James P. Haight, vice president in charge of engineering and purchasing for **Aluminum Co. of America,** Pittsburgh, retired. The company's purchasing functions will be continued by **R. O. Keefer,** vice president and general purchasing agent.

A. R. Curry has joined **Hycon Mfg. Co.,** Pasadena, Calif., as manager, purchasing department. He had been purchasing agent at Packard-Bell Electronics Corp. of Los Angeles.

R. S. Merritt has been named purchasing agent for **Ingalls' Pascagoula Shipyard,** Pascagoula, Miss. Hugh J. McGinn has been appointed assistant purchasing agent.

Charles Rini has been promoted to purchasing agent by **International Molded Plastics, Inc.,** Cleveland.

Stephen Kakish has been made director of purchases for **Roll Formed Products Co.** and **Hynes Steel Products Co.,** Youngstown, Ohio.

Otto C. Maunz has been elected first vice president of **Wm. C. Maunz Co., Inc.** He will continue as purchasing agent.

R. L. Hoffman succeeds W. R. Gohsman as purchasing agent at **Wisconsin Public Service Corp.,** Milwaukee. Gohsman retired after 37 years with the firm.

Christian W. Rudolph has been appointed purchasing agent for the Philadelphia branch of the **Disston Division, H. K. Porter Co., Inc.**

J. H. Rowan has retired as director of purchases, **Kaiser Engineers, division of Henry J. Kaiser Co.,** Oakland, Calif., after more than 20 years' service. He will continue in a consulting capacity as director of special purchases.

Albert D. Ross has been named commissioner of the **Department of Contract & Purchase,** Syracuse, N. Y. He succeeds **Fred H. Haag** who retired.

James F. Boyle has joined the **E. F. Hauserman Co.,** Cleveland, as assistant purchasing agent. He was formerly with Abrasive Tool & Supply Co., Cleveland.

Obituaries

Carl M. Gilt, 67, retired assistant purchasing agent for Consolidated Edison Co., New York, died March 23.

Leland C. Orme, 56, purchasing agent for Collins Radio Co., Los Angeles, died March 14.

This Week's

Purchasing Perspective

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expensive jam-ups such as we now are experiencing in the hedge-boom.

Long-term goal of the producers is, of course, a more even year-round operating rate, permitting them to make more efficient use of plant, equipment, and labor force. The logical implication is less costly steel.

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The importance of purchasing and traffic decisions in product cost is demonstrated again in budding rate competition between the St. Lawrence Seaway and railroads. The rails served notice again last week they will come up with a wide variety of bargain rates to keep present customers shorebound. The rails' rate plan includes:

- Seasonal rates—May to September—on bulk commodites.
- Reduced year-round, long-haul rates between Mid-west and Atlantic ports.
- Guaranteed discount rates for shippers agreeing to ship a specified percentage of their volume.
- Short-haul rates from inland points to lake ports.
- Joint reduced rail-ship rates with trans-Atlantic lines.

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A United Nations-sponsored meeting on lead and zinc convenes in New York this week. But as in two previous such sessions, chances remain slim for agreement on international production or export controls on the plentiful metals.

Smaller U. S. domestic producers incline toward strict domestic regulations, preferring even tighter import restrictions than already exist. Canadian opposition also is a factor. But U. S. firms with overseas interests along with the State Department lean toward an international approach.

Despite these various cores of conflicting interests, there remains a long-shot chance to swing an agreement if Canadian delegates and open-minded U. S. industry representatives can be persuaded to go along. But a much more likely outcome is a delaying "further study" of world production and consumption statistics.

Labor Trends: Goodyear's pension-fringe benefit settlement with United Rubber Workers last week provided base for new pacts wth strike-hit Goodrich, Firestone, and U. S. Rubber. Pension improvements alone cost an estimated 5¢ an hour with wages still to be negotiated later . . . **Trainmen's Brotherhood notified railroads it wants a 14% increase** when current three-year pact ends Nov. 1. Locomotive Engineers already have a 12% request on the table.

P.A.'s Told to Keep Buying Steel

Pittsburgh—If a steel strike is avoided, it would be a "most dangerous decision" for a steel consumer to cut back sharply on July and August orders, a top steel industry executive warned.

Marcus J. Aurelius, administrative vice president of U. S. Steel, told a group of Pittsburgh purchasing executives:

"Steel use will be at a seasonal high in those months, and it will prove to be the smart buyer who continues to purchase steel to meet consumption needs."

Aurelius, appearing before the Purchasing Agents Association of Pittsburgh, said he expects some third quarter liquidation of steel stocks. "But the growing strength of actual consumption as our economy embarks on a new expansion phase will preclude a new liquidation cycle," he said.

A steel strike would force steel users to eat rapidly into their inventories. If this happens, Aurelius said, he fears the seed will be planted for another "erratic surge of stock building when the strike eventually ends."

On this point, he commented: "It may be out of character for a steel salesman to tell you not to buy steel, but I am deadly serious.

"If inventories are built up to new peaks, as surely as night follows day, we will see operating rates sagging once more in the steel industry as consumers pause to digest the high volume of steel purchases brought on by over-building."

Aurelius called this kind of digestive upset contagious and infectious to "almost every phase of manufacturing."

Discussing operation of the steel inventory cycle, Aurelius urged steel buyers to level off the peaks and valleys, gearing steel buying more closely to actual consumption of the metal in production.

G.S.A. Opens Service Center in Oklahoma City

Oklahoma City—The General Services Administration has opened a Business Service Center in the Federal Building here to facilitate the buying of products from Oklahoma firms.

The center will maintain a list of federal specifications, indexes to military specifications, bidders' list forms, invitations to bid, and numerous other material. Counseling service also is available to assist businessmen in selling to the government.

Simplified Pricing Wins Plaudits from P.A.'s

(*Continued from page* 1)
dustries to adopt net pricing systems so he could switch over completely to a machine operation.

"Just give me a pricing system offering decimal prices and decimal packaging (lots of 10,000, and 1,000, etc.) with rounded-off totals adaptable to machine operations, and my worries would be over," he said.

A Dallas distributor of power transmission equipment likewise urged a reduction in number of discounts or at least stabilization. He also suggested using even rather than fractional discounts.

"Odd-Ball" Discounts

A St. Louis P.A. said his biggest gripe was the "odd-ball" discounts quoted for abrasive wheels which carry percentages into the thousandths—such as 24.405%.

"Why can't they just leave it 24 or 25% . . . you need a slide rule to figure out their prices."

Another Midwest buyer of large quantities of industrial supplies called present list/discount methods archaic and declared himself in favor of quantity discounts on large volume orders only. A pet peeve, he said, is "price undercutting and double-dealing which some distributors resort to in frantic efforts to have the largest sale volume."

Pricing would not be such a problem, he said, "if people only were more universally honest."

"Pretty Silly"

G. L. Guellette, P.A. for Young Spring & Wire, termed the idea of a half-dozen discounts on a single price "pretty silly." He said probably the only discount allowable should be on large quantity orders of a single item adding: "This staggered discount on quantities of 100, 50, 10, etc. is ridiculous."

Harold D. Mead, director of purchasing for Puro Filter in Long Island City, noted a marked trend toward more net pricing which he approves because "net pricing is the only sensible method." But he notes that some industries must have list and discount price systems although "I still feel they could eliminate those complicated chain discounts."

William Merillees, purchasing director for West Virginia Pulp & Paper, said he believes a net pricing system would "solve a heap of problems in" the mechanical rubber goods industry.

Price Clarification Needed

A Chicago buyer of lubricants, hand soaps, and other chemicals urged further "price clarification." Citing the end-of-the-year rebate system utilized in buying drums of some oils, he complained "you never know what you're paying for and can never judge what the discount will be."

Some P.A.'s noted pricing difficulties peculiar to their industry on a special product. The Southern buyer for a major airline complained about a cycle-order system which a supplier of a certain type of hydraulic control valve plans to put into effect. He doesn't want to go along with the program but faces billing at a higher price.

The P.A. for an Atlanta exterminating company said he had encountered instances of reductions in quantities in cartons and packages without notification or price adjustments.

Standard Minimums

The buyer for a large electric motor manufacturer in Cleveland urged companies in the same industry to set standard minimum order standards. Buying can be complicated by the fact that one company sets one quantity and the next company sets another minimum amount for quantity discounts on the same commodity.

A number of distributors endorsed this idea heartily so they could more easily bill their customers.

In St. Louis, a number of P.A.'s, while admitting mystification by some of the pricing systems followed in steel, the alloys, and fabricated metal product lines, appeared more aggravated with industry-wide pricing which requires payment of price prevailing on date of delivery.

Another Midwest buyer cited a pipe firm which quotes one price for retail trade, another for city plumbers, a third to jobbers, another to distributors, and a fifth to manufacturers buying large quantities. The same company utilizes another 10% discount in areas where it is hit by foreign imports.

Some purchasing agents who were especially critical of the complicated pricing system followed by the industrial fastener industry said they were cheered by the recent decision of Pittsburgh Screw & Bolt to switch to a net pricing plan.

While criticizing list/discount and multiple discount systems in general, many P.A.'s conceded it would be prohibitively expensive for many firms to issue new net price lists at frequent intervals.

Others shrugged off the many woes caused by complicated figuring to arrive at prices as an "irksome headache" but not a real problem.

The purchasing director for a large Chicago manufacturer of industrial equipment is chairman of his firm's pricing committee—and thus sees both sides of the fence.

Net List Desirable

Publishing net price lists is expensive, he said, but from the purchasing point of view they are "certainly desirable," especially for fasteners, pipe fittings, perishable tools, etc.

"But I don't think it's a big problem," he concluded.

Seconds to that point of view came from P.A.'s in Seattle, San Francisco, and elsewhere.

At Dresser Industries in Dallas, P.A. Robert C. Kelley said he deals with the list-discount system in values, fittings, fasteners, and steel pipe.

"After you get accustomed to working with discounts," he said, "there isn't much of a problem."

Another P.A.—in the paint industry—said he believes pricing is too simple nowadays—"it's no fun buying any more." He criticized the Robinson-Patman Act for cutting "the incentive to buy in multiple carloads" by establishing only carload and L.C.L. price.

Railway Express Offer Received

(*Continued from page* 1)
same thing. But should the railroads accept the Lehman offer, the Central was ready to make an about face and come back in as an operating agent.

In an exclusive statement to PURCHASING WEEK, R.E.A. President William B. Johnson said the "railroads are seriously considering a proposal by a major financial house." But Johnson stressed that as of late last week "no decision had been reached on this or a number of other plans."

Johnson said he did not know when a final decision would be reached "although it must come soon." Under the agency's operating agreement with its participating members, they must give notice of withdrawal by this Thursday.

The statements from Johnson and Manheim, along with comments from other rail and express officials, indicated last week that the Lehman offer was the one being given top consideration by the agency's directors. It has been reported that Morris Forgash, president of U. S. Freight, was pushing a proposal to buy the agency and incorporate it with his package freight and freight forwarder operation. But rail officials said Forgash appeared "out of the picture."

The Lehman Brothers spokesman emphasized it would operate the agency with the same management and personnel.

"Our intention is to put this operation back on a paying basis, and we have strong hopes that the railroads will see things our way," Manheim said.

Ths future of Railway Express had aroused considerable interest among industial purchasing and traffic men throughout the country. Many told PURCHASING WEEK that they already were investigating alternate methods of shipping and receiving package and freight car shipments in the event Railway Express goes under. A number of P.A.'s expressed alarm at the prospect (P.W. Apr. 6, p. 1).

Steel, Labor Nix Federal Review

(*Continued from page* 1)
type of steel settlement is signed.

Nixon broadened the definition of what he termed inflationary to include a settlement that might not raise prices in the steel industry but would set a pattern for wage negotiations that would lead to price hikes in other industries.

Blough vigorously rejected the pre-price notification bill, put forth by Senator O'Mahoney, as one which is a long step in the direction of direct price control The O'Mahoney bill would n allow government to reject an increases. But it would subject the proposals to public review and pressures, which would be intended to moderate price increases.

McDonald politely but no less firmly opposed the bill on grounds that it would lead to federal review of wage increases and inject the government into collective bargaining.

Copper Disposal Showdown Near

(*Continued from page* 1)
posal toward a showdown vote on the Senate floor.

Actually, more commodities than copper are involved in the dispute. Over-all Administration commodity policy is at issue.

The O.C.D.M. cannot dispose of any commodities in its national and strategic stockpiles without a specific okay from both houses of Congress. But it can—and plans to—release supplies which were acquired through incentive purchase programs under the Defense Production Act. O.C.D.M.'s attitude was tipped again last week when agency officials refused to deny that they would release any copper at all. They reiterated their right to dispose of commodities held in the so-called inventory category of the Defense Production Act. They indicated they might let about 5,000 tons of copper per month spill over into the market in the near future.

Sharpened the Axe

This statement only served to sharpen acrimony on Capitol Hill. Copper's "Big Three" producers — Anaconda, Kennecott, and Phelps Dodge—would not support metal releases although there was reason to believe they might not have opposed it too vigorously. It was known to producers that copper fabricator representatives had traveled to Washington in recent weeks to press for release of some stockpile copper. Improving business and strike-hedge buying figured in the thinking.

Market Jitters

All this served as background to the market jitters which developed even before word of the O.C.D.M. plans became known generally. Strictly domestic mines, whose political influence in the Senate is proportionately strong, immediately pressured the mining state senators, led by Montana Democrats Murray and Mansfield, to help spike the move.

The reason O.C.D.M. wants to unload stocks in excess of the long and short term defense requirements is to help absorb some of the cost of its incentive procurement programs.

The issue was still far from resolved last week. Copper unloadings may now be stalled for the time being; but O.C.D.M.—backed by Treasury Department eagerness to find new sources of government revenue—will try again to sell off some of its excess holdings in the future—not only of copper, but other commodities as well.

The big obstacle is market reaction. O.C.D.M. is pledged not to do anything to disrupt seriously either domestic or international metal-mineral markets too quickly.

Material Management Explored by 23 Men At A.M.A.'s Seminar

(*Continued from page* 1)
chasing, eight more production control. The others in attendance ranged from plant managers to company auditors.

As materials manager Jack Walter of General Electric's T.V. Department told the group at the opening session, "Until recently, purchasing and production control were way down in middle management echelon. But with the increased importance of material costs, both these functions and proper management of materials are receiving more attention. Today top management needs materiel-oriented information for basic decisions."

One of the main features of the week long seminar was the chance to actually manage materials in a simulated business game. Using a computer, five teams tried their hand at operating a business manufacturing widgets—standard and deluxe. Twelve months of operating decisions were condensed into 6 hr. by using the computer. Several of the companies showed an operating loss after the first six months from mismanagement of materials. But all companies improved during the last half.

Increased Hedge-Buys Tax Carrier Facilities

(*Continued from page* 1)
ations, still crawling out of a recession year, has resulted from increased shipping activity occurring simultaneously in three areas:

- Rail and truck carriers have found it difficult to tool up to the tempo of steel demand, which has boosted production to near capacity in just months.
- The delayed Great Lakes shipping season opened last week, and carrier equipment is sorely needed to move grain and ore down and coal and other products up to the lakes region.
- Production in other industries, such as glass, rubber, and auto, has also stepped up with a resulting need for more rail cars and trucks.

Trucks Hit Hardest

While major railroads, particularly in the East, are beginning to feel the pinch, the situation has really tightened in the trucking industry. A check by PURCHASING WEEK found that insufficient trucking facilities is retarding delivery in some areas of some types of steel, particularly sheets, bars, and other lighter gage products.

Jones & Laughlin Steel Corp. for one said it was running into more difficulty obtaining needed trucks than rail cars. Buffalo area steel mills said they faced a similar situation.

An official at one mill expained that because steel-hauling yields truckers a low commodity rate, the availability of trucks for steel deliveries has been getting tighter by the day, and some mills have been hampered while waiting.

A major truck line in Cleveland admitted that 15 to 20% of its steel deliveries are running late. The firm said its own equipment is in good shape but it needs more. However, a company spokesman said it would take up to 10 weeks to get it and by that time the big rush could be over.

Another big steel hauler said the problem is the practice of relying on leased trucks to handle the excess business. Last year, however, many leasing brokers went out of business, lost their equipment, didn't renew their licenses, and therefore "just weren't there when we wanted them."

An official of Sims Motor Transport Lines, Inc., Chicago, insisted there is about as much a shortage of truck equipment right now as there is a shortage of rail cars for hauling steel. "We're doing the best we can," he said. "We're moving it, but sometimes it's slow."

The trucker admitted steel companies have been complaining, but since they can't turn to anybody else to haul their steel, they just have to wait for the trucks to arrive. He said it now takes three or four days in some cases to get shipments out.

Asked if the situation will get worse, the official shrugged, "I don't know—I presume it will."

This tight situation is still not general, however. Steel buyers on the West Coast and in some Southern areas say things are running smoothly with no shipping interruptions anticipated.

Truck line officials told PURCHASING WEEK that P.A.'s could help alleviate a possible tight situation if they could:

- **Bunch Orders:** Instead of ordering steel items in small lots, space orders for greater volume. This could mean faster delivery at lower cost.
- **Be Flexible:** Many customers specify delivery by truck either because it is cheaper or because they prefer a particular trucking line. Customers flexible enough to accept rail delivery might get faster shipments and also ease the strain.
- **Extend Unloading Hours:** Some companies won't unload after 3 P. M. or over weekends. If a shipment arrives late in the afternoon, a truck may be tied up overnight before it is unloaded. If it arrives Friday, may be tied up over a weekend.

While the shortage of rail cars for steel hauling still hasn't reached the critical stage, it is nevertheless in the cards, according to Arthur E. Baylis, vice president of sales and service for the New York Central Railroad.

"Things can go one way or the other," the rail official told PURCHASING WEEK. "If the threat of a steel strike abates in the next few weeks, the growing car shortage will lessen. However, if a strike still appears imminent, things could get much worse."

A spokesman for the Association of American Railroads agreed with Baylis and added: "We're getting along all right at present, but we'll have a tight situation by June."

Serious Right Now

Other rail officials insisted that the situation was serious right now because the main shortages in rail cars are in gondola cars for shipping import ore, double-door box cars and covered gondolas and flat cars—special steel hauling equipment.

They said steel hauling roads had a bad financial year in 1958 and cut down on car repairs and maintennce. It has been reported that the Pensylvania Railroad is operating on a rate of 25-30% bad order cars on gondolas.

However, most steel companies reported that although the cars situation is very tight, they were experiencing only minor difficulties in getting enough cars.

On the other hand, steelmakers, particularly in the Pittsburgh area, are apprehensive about the car supply outlook as the strike deadline draws nearer. They too called upon P. A.'s to ease the situation wherever possible.

Public Buyers' Convention

Seattle, Wash.—Albert H. Hall, executive vice president of the National Institute of Governmental Purchasing, will be the keynote speaker at the spring Public Buyers' Convention, April 23. The convention agenda includes discussions of specifications, purchasing sources, product reliability, application and experience, purchasing procedures, and administration.

Price Changes for Purchasing Agents

Item & Company	*Amount of Change*	*New Price*	*Reason*
INCREASES			
Cottonseed oil, rfd, tanks, lb	.0013	.146	
Permanganate potash, Carus Chem., LCL, 110-lb. keg, lb	.04	.35	Increased costs
Petrigrain oil, lb	.10	$2.40	Supply decrease
Pimento Leaf Oil, lb	.20	$2.20	
Red Lead, dry, 95%. lb	.005	.1375	Lead tag boost
Litharge, lb.	.005	.1325	Lead tag boost
Orange Mineral, lb	.005	.151	Lead tag boost
Petrolatum, USP, white, tanks, lb	.0013	.0687	Upped demand
Gum Turpentine, So., gal	.006	.54	
Copper, custom smelters, lb	.005	.325	Stock decrease
Rhodinyl Acetate, lb	$2.00	$43.00	
Petrolatum, USP, soft yellow, clts, dms., lb	.0038	.0713	
Oiticia Oil, liq., drms., lb	.005	.22	
Menthol, synthetic, laevo, lb	.35	$5.85	
Valonia Cups, ton	$4.00	$70.00	Supply dip
Myrobalans, J, No. 1, ton	$5.00	$55.00	
REDUCTIONS			
Fennel Oil, lb	.05	$2.80	
Petroleum Xyol, Chicago, dlvd, gal	.015	.29	
Potassium Stannate, bl	.005	.784	Tin price dip
Sodium Stannate, lb	.006	.642	Tin price dip
Tin Crystals, lb	.006	$1.007	Tin price dip
Gasoline, reg., Atlantic Refining Co., Providence, gal	.013	.139	
Silicone defoamer, antifoam B, Dow Corning, drums, lb.	.03	.65	Prod. economies

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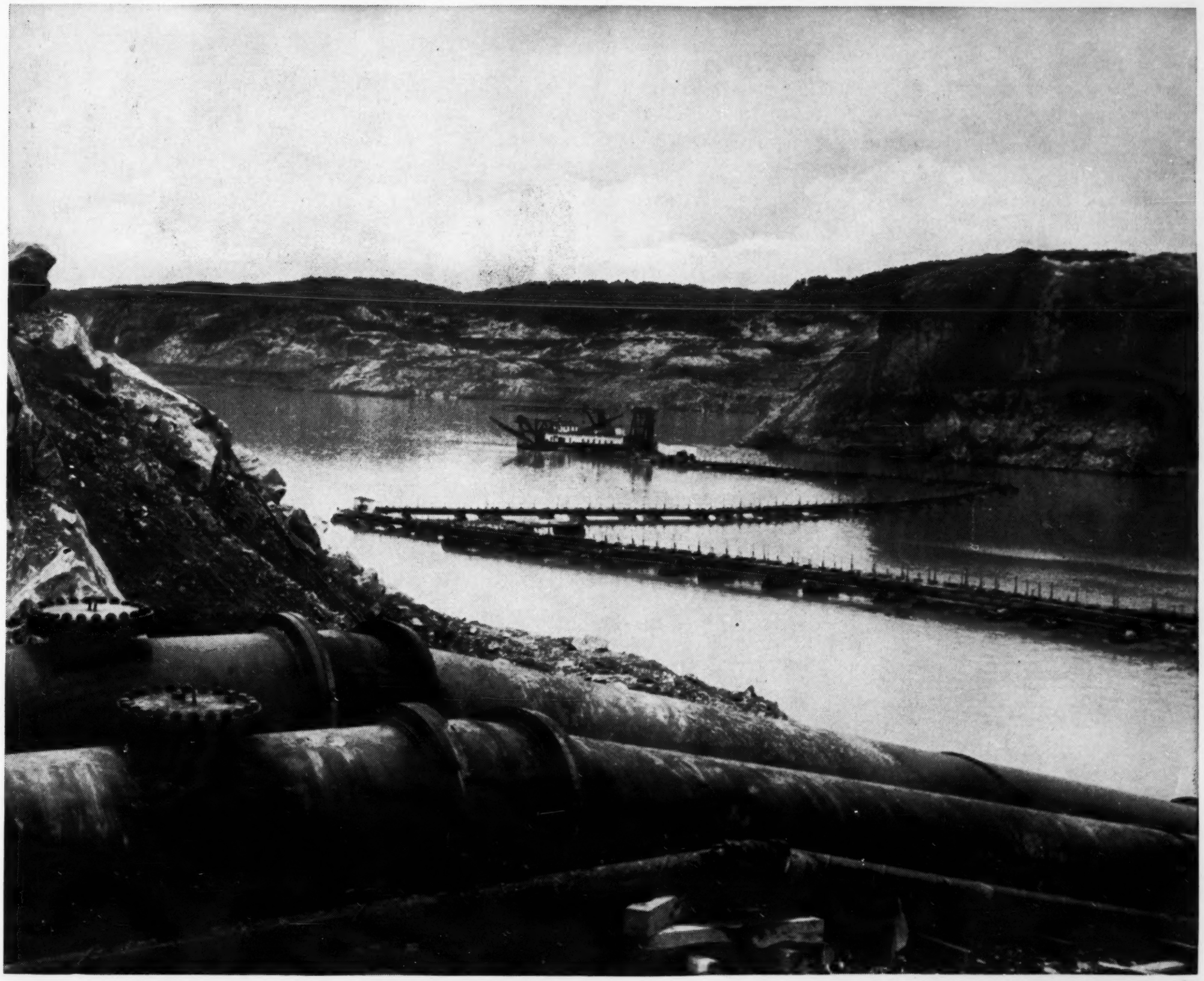

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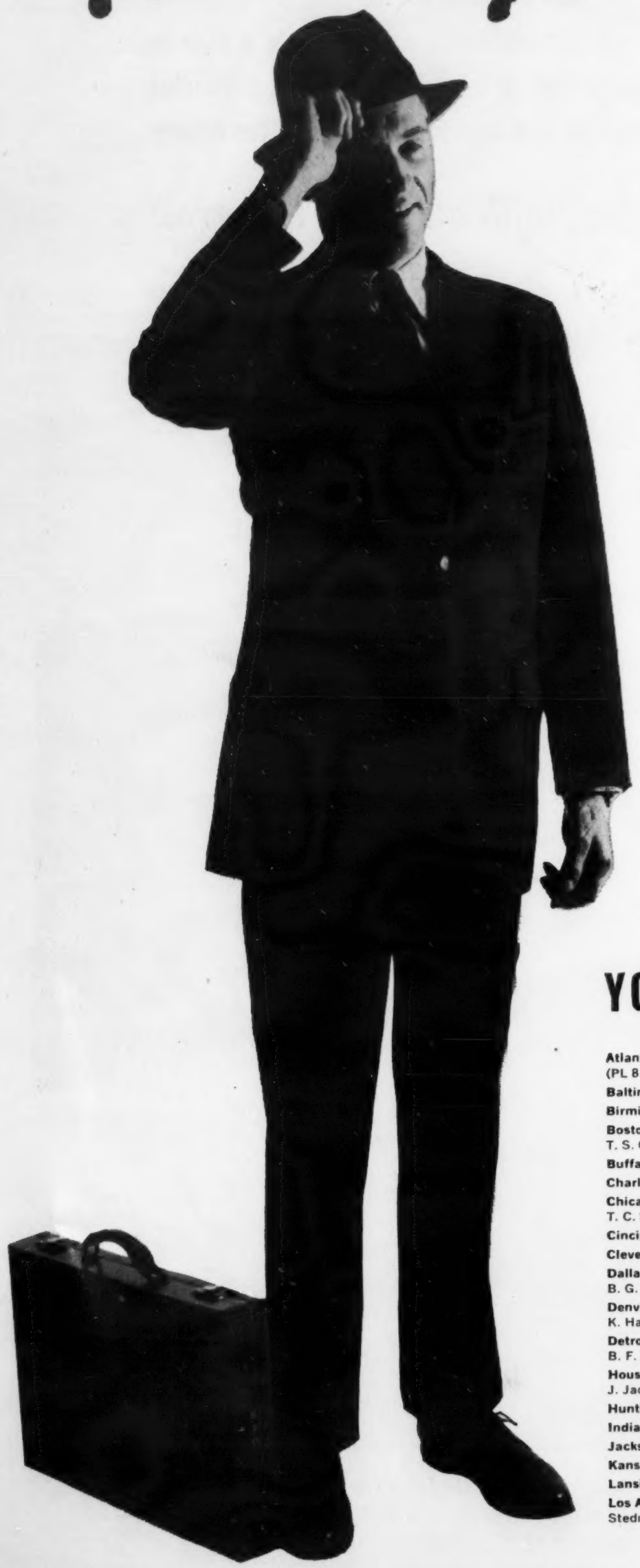

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